PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 435 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2005–06

COMPRISING PERIOD
13 June—30 June 2005

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13 June 2005

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES — VOLUME 435

SECOND VOLUME OF SESSION 2005–2006

House of Commons

Monday 13 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGE FROM THE QUEEN

QUEEN'S SPEECH (ANSWER TO ADDRESS)

THE VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received with great satisfaction the dutiful and loyal expression of your thanks for the Speech with which I opened the present Session of Parliament.

PRIVATE BUSINESS

COMMITTEE OF SELECTION

Ordered,

That Mr. Bob Ainsworth, Mr. Geoffrey Clifton-Brown, Mr. John Heppell, Rosemary McKenna, Mr. Patrick McLoughlin, Gillian Merron, Joan Ryan, Andrew Stunell and Sir George Young be members of the Committee of Selection.

That the members of the Committee of Selection nominated this day shall continue to be members of the Committee for the remainder of this Parliament.

That this Order be a Standing Order of the House.—[*Mr. Bob Ainsworth.*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Disability Discrimination Act

1. **Rosie Cooper** (West Lancashire) (Lab): What assessment her Department has made of the progress of leisure and tourism facilities towards compliance with the Disability Discrimination Act 1995. [2991]

The Minister for Sport and Tourism (Mr. Richard Caborn): My Department is working to ensure that all service providers in the tourism, leisure and sport sectors not only meet their obligations under the Disability Discrimination Act 1995, but go further in making opportunities available to people with disabilities. That work includes funding support for sports and leisure disability organisations, and for VisitBritain's work in promoting accessibility standards in the tourism industry.

Rosie Cooper: In my constituency of West Lancashire, in the past 12 months, the council has gone into partnership with Serco to provide leisure facilities. The partnership was predicated on the promise to modernise both services and equipment. Unfortunately, in the Skelmersdale area, for example in the Nye Bevan pool, the works did not include making facilities such as changing rooms suitable for use by disabled people. That has led to constituents in the Skelmersdale area feeling left out and excluded. Simple inexpensive work such as putting an induction loop in the reception area was not done either. Can my right hon. Friend remind organisations and local authorities of their obligations under the Disability Discrimination Act 1995, so that any improvements, no matter how small, are undertaken with the needs of disabled residents and their responsibilities under that Act in mind?

Mr. Speaker: Order. I did not stop the hon. Lady, but her question must be briefer next time.

Mr. Caborn: I can readily understand that my hon. Friend, as a former director of the Merseyside centre for deaf people, has a great deal of passion for this subject, which is probably why she took a little longer with her question. Yes, I will write to local authorities, which must take opportunities to ensure that there is such investment in facilities for disabled people. I will write to local authorities, not just to those in Skelmersdale, to remind them of their obligations under the 1995 Act.

Miss Anne Begg (Aberdeen, South) (Lab): While physical access to a whole raft of leisure facilities is beginning to improve, staff attitudes are often still a barrier to disabled people being able to access such facilities. Is the Minister's Department doing anything to ensure that proper disability awareness training is in place in all such facilities, and are there any examples of good practice that his Department is promoting?

Mr. Caborn: Yes, many example of good practice exist. As I said in answer to the initial question, it is not just the obligations under the 1995 Act but the spirit of that Act that must be met—we must promote such access for disabled people. For example, Sport England is investing in excess of £1 million in the inclusive fitness initiative to make sure that facilities in centres are adapted for people with disabilities and able-bodied people. Bringing people together in that way increases awareness of how they can work together. In the Commonwealth games a couple of years ago, disabled people and able-bodied people competed together for the same medals, which was a first and a move in the right direction.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): I am not really surprised that the Minister did not give his assessment of the progress in this area, because accurate statistical information on disability provision, or on any matter, is woefully inadequate in the tourism sector. Given that the Government have made commitments both nationally and to the European Union to move to a basis defined by specifications laid down by the United Nations and the World Trade Organisation, when will they invest the money for the tourism statistics improvement initiative to which they say that they are committed? Only when they do so will we really know how provision for disabled people is progressing.

Mr. Caborn: As I have said, we are working through VisitBritain to promote accessibility standards in the tourism industry. There are 8.5 million people with disabilities in the country, they have 6 million carers, and their spending power amounts to about £40 billion a year. The industry has a vested interest in attracting those people, and it is doing that. I think that we have a very good record.

If the hon. Gentleman wants an assessment, I will write to VisitBritain and obtain one for him, but he should support what is being done, rather than deriding it. He would do a lot more to change people's attitudes than he does by carping.

Royal Parks Agency

2. **Justine Greening** (Putney) (Con): What steps the Royal Parks Agency takes to ensure that its policies reflect the views of communities living next to and using their parks. [2992]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): The royal parks are maintained by the Government on behalf of the nation. The Royal Parks Agency consults a wide range of organisations in a number of different ways. They include major formal consultation exercises, statutory consultation with locally elected representatives, and less formal meetings with a wide range of local interest groups and individuals.

Justine Greening: The Minister will know that the closure of the Robin Hood gate has caused serious congestion and road safety issues in my constituency. How can that process properly reflect local residents' views when it ignores Wandsworth borough council, which is against the closure; ignores me, not just as a candidate but as, now, an elected Member of Parliament representing residents who want the gate to be reopened; and ignores residents such as Mr. and Mrs. Cobb of Ponsonby road? They have written twice to Lord McIntosh, the previous Minister, and have not even received a reply. They describe the current situation as chaos, and, more important, say:

"It is almost inevitable that one day there will be a serious personal accident. The biggest fear is for pedestrians and, of course, for children at the Primary School"—

that is, Roe Church primary school.

No environmental or road safety assessment has been carried out. Will the Minister undertake those assessments and reconsider his decision?

Mr. Lammy: The road has been closed since 2003. There has been an assessment, and there are certainly no safety concerns.

In making a judgment, I had to bear in mind that people were using the road and not stopping in Richmond park, and also that this was a site of great scientific interest. It is to conserve the park, not just for the people of Richmond but for the people of the nation, that the gate remains closed.

The hon. Lady asked about consultation. My predecessors did consult. That is why the Friends of Richmond Park support my decision.

Dr. Vincent Cable (Twickenham) (LD): As one who represents a large number of deer in one of the royal parks, may I ask whether the Minister realises that the wider function to which he referred is being seriously undermined by a huge maintenance backlog of about £110 million, further increased by cuts this year and the need to assume all the liabilities incurred from the fiasco of the Diana memorial fountain? What is the Minister doing about that?

Mr. Lammy: I am due to visit the park on Thursday, and will be happy to report back once I have done so.

Susan Kramer (Richmond Park) (LD): When he visits the park on Thursday, will the Minister make the time and the effort to look at the impact of increased traffic not only outside the Roehampton gate in the constituency of the hon. Member for Putney (Justine Greening), but outside the Kingston gate in my constituency? It is a 20 per cent. increase, in a residential area with schools. Does the Minister agree that the decision to close the road permanently without co-operating to introduce and fund traffic management is not acceptable?

Mr. Lammy: No, I do not agree. The park has been there since 1635. We cannot condone a situation in which local people use it as a rat run and it is not available to those of us who wish to conserve it. Traffic issues outside the park are rightly a matter for the local authority, but I remind the hon. Lady that my decision is supported by English Heritage, English Nature, the Royal Parks wildlife group and the Richmond Park green voice group.

Mr. Mark Field (Cities of London and Westminster) (Con): Perhaps we can get away from the Richmond park mafia for a moment or two. I draw the Minister's attention to the Live8 concert taking place in Hyde park, and to the "Frieze Art" exhibition in Regent's park this October. In neither case has there been any sense of the local community's views being represented. Will the Minister investigate this issue, particularly in view of the Hyde park commercialisation debate that I led in this place last year, which was replied to by his former ministerial colleague, Estelle Morris? She gave a clear indication that local residents' associations and amenity societies would be informed of any events taking place in the royal parks.

Mr. Lammy: It is of course important that local people be kept informed about events in Hyde park, and I undertake to look into this issue. But the hon. Gentleman will doubtless be pleased that the number of events in Hyde park has fallen from 14 in 2002 to the current figure of seven. He will also be pleased to learn that my right hon. Friend the Chancellor of the Exchequer undertook to ensure that after Live8, the park be returned to its previous condition.

London Eye

3. **Harry Cohen** (Leyton and Wanstead) (Lab): If she will make a statement on the progress of her discussions with the South Bank Centre on the London Eye. [2993]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): Negotiations between the London Eye and the South Bank Centre continue, but the London Eye is here to stay. It will continue to give millions of tourists and Londoners pleasure every year, and to enhance London's bid for 2012. I have no doubt that an agreement will be reached on a new lease for the Eye. The clock has stopped while the negotiations continue, and it is of course important that both parties—the South Bank Centre and the London Eye—get it right.

Harry Cohen: I am pleased with that answer. Will the Secretary of State acknowledge that the Eye is a landmark of huge importance to London, and that it cannot be jeopardised by unrestrained capitalism? Will she keep a close watching brief on the current lease negotiations for a satisfactory outcome for the Eye, and consider listing it in recognition of its importance? *[Interruption.]*

Tessa Jowell: The Minister for Sport and Tourism, my right hon. Friend the Member for Sheffield, Central (Mr. Caborn), says from a seated position that the Eye will stay as long as the rebate; that is probably a fair prediction. I agree with everything that my hon. Friend said, short of listing the Eye, but I expect the assurances that I have given to be confirmed in negotiations between both sides.

Mr. Gregory Campbell (East Londonderry) (DUP): The London Eye is undoubtedly one of the United Kingdom's most prominent tourist attractions. Given that the London area attracts the vast majority of overseas tourists and visitors to the south-east of England, can the Secretary of State reassure the House and constituents in Northern Ireland that those who visit the London Eye will also be encouraged to visit other parts of the UK that are far from the London Eye?

Tessa Jowell: The hon. Gentleman is absolutely right. All the regional development agencies, which have tourism responsibilities, are focused on precisely that objective: encouraging people who visit London also to sample the tourist delights of the rest of the United Kingdom.

Angela Eagle (Wallasey) (Lab): Does my right hon. Friend agree that the London Eye is a great tourist attraction and that from the top of it, it will be possible to see spread out before us all the sites relating to the London 2012 bid? Will she pass on my best wishes, from either the bottom or the top of the London Eye, for the bid's progress?

Mr. Speaker: The hon. Lady should try another time. I call Mr. Philip Dunne.

Alcohol Licence Applications

4. **Mr. Philip Dunne** (Ludlow) (Con): If she will put back the 6 August deadline for licensing applications from premises selling alcohol. [2994]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): My right hon. Friend the Secretary of State has no plans to put back the deadline; delaying it would delay the problem and cause confusion. A change would require primary legislation, and there is no guarantee that it could be completed by 6 August.

Mr. Dunne: The two local authorities in the Ludlow constituency have issued between 50 and 77 pages of application form and guidance notes for the conversion of existing licences. As of this morning, however, only 27 out of 350 licensed premises in South Shropshire and approximately 10 per cent. of those in Bridgnorth district council have submitted application forms. Does the Minister agree that the cost and intensely

complicated bureaucracy resulting from the new regime should give reason for delay in order to allow more licensees to submit their applications?

James Purnell: This Act reduces bureaucracy. It takes six existing regimes and collapses them into one, and it will mean a saving of about £2 billion over 10 years. The danger of delaying the deadline is that if the legislation fails to get through both Houses, we would have the worst of both worlds. We would have made people expect a delay and failed to deliver it. It is much better to do what the industry wants—to provide certainty for the trade.

Ms Barbara Keeley (Worsley) (Lab): Does the Minister agree that the best solution for licensing applications is not to alter deadlines, but to take a proactive approach? I know that Salford council is running surgeries to support applicants in completing their forms and it is currently sending out reminder letters to existing licence holders just to get them moving on their applications.

James Purnell: I commend the work of Salford council and, indeed, the many councils across the country that have put on events to help people with their applications. However, it is key to say that people must apply by 6 August and the responsibility of the Department is to do all we can to ensure that people know that they have to apply, which is why we have launched a national communication campaign to achieve that.

Mrs. Theresa May (Maidenhead) (Con): The Minister really gets more like King Canute by the day. Today he said that the forms actually reduce bureaucracy, whereas last week in the fine newspaper, the *Yorkshire Post*, he was quoted as saying that the forms were "not complicated" and just a matter of "ticking a few boxes". My hon. Friend the Member for Ludlow (Mr. Dunne) has set out the problems faced by licensees in Shropshire, with forms as long as 21 pages with 60 pages of explanatory notes, costing some licensees more than £1,000 in securing help to fill them in. Does the Minister still stand by his statement of last week?

James Purnell: Previously, people had to apply under six different regimes and had to go before a magistrate every time that they wanted to change their conditions. When the new law comes into place and people have acquired their licence, they will never have to apply again. Typically, the fees under the new regime for the sort of organisations that the right hon. Lady mentions will be between £100 and £180. Overall, I believe that the legislation will save the industry a significant amount of money and bureaucracy.

Mrs. May: I am sorry, but the Minister really is digging his head into the sand and failing to appreciate what is happening out there—not just for pubs, clubs, restaurants and night clubs, but for village halls, sports clubs and community centres, a fee of £180 is a significant sum eating into the money that they raise for local people. Will he not accept and come to realise that, with 54 days before the August deadline and, on his own admission, fewer than 10 per cent. of applications in so far, and in the light of all the burdens caused to local authorities and councillors, not to mention the problems of licensees many of whom will not get their applications in, he must take his head out of the sand, accept the obvious and extend the August deadline?

James Purnell: That is just playing politics. The right hon. Lady well knows that if we tried to delay the deadline, we could not guarantee getting the legislation through by 23 July. If we failed to get it through and people had stopped applying, the deadline would go ahead, so they would then be forced to get their applications in during the two weeks after Parliament rises. That would be the worst of both worlds. Rather, we should concentrate on doing what the Association of Chief Police Officers, the Local Government Association and the industry have asked for: to provide the certainty that people need. That is exactly what we are doing.

Mr. David Crausby (Bolton, North-East) (Lab): Does my hon. Friend agree that the introduction of personal licences for those in charge of the sale of alcohol in licensed premises is long overdue? With the increasing pressures of crime and disorder associated with the sale of alcohol, does he accept that the introduction of such licences should have been sooner rather than later? If some individuals are unable to get their act together in applying for a licence, does he agree that they are unfit to run those premises?

James Purnell: My hon. Friend makes a very good point. If we delayed the introduction of the legislation, as the Opposition want, we would be delaying the introduction of the powers, which would deprive us of having extra fines for selling alcohol to under-age drinkers and frustrate our ability to change the management. We would also be unable to bring in new conditions to deal with the minority of problem pubs. Delaying the deadline would not only confuse the industry, but remove the important powers under the Act to deal with alcohol-fuelled violence. That is why we will not delay.

Hywel Williams (Caernarfon) (PC): Application forms were made available in English at the end of February, but despite representations they are still not available in Welsh. Does the Minister not accept that that is a serious disadvantage to businesses in my area working through the medium of Welsh—and also contrary to the intention of the Welsh Language Act 1993 to treat Welsh and English on an equal basis?

James Purnell: I would be happy to meet the hon. Gentleman to discuss that issue with him. The decision was taken that as most of the applications would be processed in English, it would be better for them to be submitted in English—but if that does not satisfy the hon. Gentleman, I shall be happy to meet him.

Gambling Act

5. **Mr. John Grogan** (Selby) (Lab): If she will make a statement on the implementation of the Gambling Act 2005. [2995]

The Minister for Sport and Tourism (Mr. Richard Caborn): We plan to bring the Act fully into force with effect from September 2007. We will consult interested bodies as we take forward the necessary preparatory work.

Mr. Grogan: Will my right hon. Friend clarify whether the Government intend to stick with the one regional super-casino, as was agreed by the last Parliament, or to raise the stakes, as has been suggested in press reports, and gamble on being able to secure parliamentary approval for up to four super-casinos?

Mr. Caborn: After all those gambles that we had to take before getting the Bill through, the answer is that obviously we do not rule out the possibility of asking Parliament at some future point to consider changing the numbers to which my hon. Friend refers. However, we are implementing the legislation on the basis of one super-casino.

Mr. Don Foster (Bath) (LD): The Minister will be aware of the loophole in the law that allows leisure facilities such as cinemas to be converted into casinos without full planning permission, and he will know that there are about 100 such applications in the pipeline. Does he recall that the Secretary of State promised on Second Reading to make casinos a single-use category, so as to close that loophole? Can he therefore explain why, when the Government recently gave the single-use category to pubs, they did not include casinos in that category? When will the Secretary of State's promises be fulfilled?

Mr. Caborn: I have just said that we are looking at implementation, and the hon. Gentleman is right about single use. Indeed, that is the spirit in which we want the Act to be implemented. I said that in Committee, and my right hon. Friend the Secretary of State said it too—and that is our intention. My officials will be considering the matter. As I said, full implementation of the Act will be in September 2007, and the gambling commission will be set up in October. The hon. Gentleman knows, because he served on the Committee, that we shall have to introduce statutory instruments, and we shall do that in the fullness of time.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Will my right hon. Friend give me further information about the time scale for setting up the gambling commission, because my constituents in Blackpool are awaiting with some interest the commission's recommendation on the location of the regional casino?

Mr. Caborn: It would probably be more appropriate if my hon. Friend asked when the advisory panel would be set up, but the gambling commission will be set up around October, and the advisory panel that will advise my right hon. Friend on the 17 sites—the small, the large and the one regional casino—will be set up at roughly the same time and will report towards the end of 2006, and the Act will become operational in 2007.

Miss Julie Kirkbride (Bromsgrove) (Con): I was heartened by the Minister's answer that he does not intend to grant more than one regional planning application for Las Vegas style casinos. However, will he reassure the House that the new regional casino will be up and running, so that we can judge its impact, before he comes back to the House and asks that permission for Las Vegas style casinos be extended elsewhere?

Mr. Caborn: May I make it absolutely clear what I said? We do not rule out the possibility of asking Parliament at some future point to consider changing the numbers. To be honest, I must say that before the general election we were pushed into the position of accepting the idea of one regional casino. Many people argue that to achieve the type of project involved with large regional casinos, there ought to be more than one of them. We shall implement the Act on the basis of there being one, but I believe that at some stage we need more than one, to allow the impact right across the United Kingdom to be reasonably assessed.

Mr. Frank Field (Birkenhead) (Lab): I thank my right hon. Friend for his statement. The Government's word is their bond on this matter and they are at present proceeding with one casino. However, the House is interested in whether that one casino, whether it is placed in Blackpool or elsewhere, will have a regeneration effect, so we need its impact to be monitored carefully. How will that monitoring be done?

Mr. Caborn: The panel of experts will look at a series of criteria when it evaluates the 17 casinos—eight small, eight large and one regional—and regeneration will be one of the criteria when it recommends the site to my right hon. Friend the Secretary of State. Therefore, regeneration will be a factor in determining the location of the regional casino, and it will also be evaluated later. As provided in the Act, and as I said many times in Committee and on Report, we will report back to both Houses of Parliament.

Digital Television

6. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): What discussions her Department has held with Ofcom regarding its recent pledge to undertake research to explore the means of bringing digital television to a higher proportion of UK households than the 98.5 per cent. reached by analogue. [2996]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): I welcome Ofcom's announcement on 1 June, which should ensure that digital terrestrial coverage at switchover matches existing analogue coverage—around 98.5 per cent. of households. I particularly welcome Ofcom's commitment to consider how to bring digital television to yet more people beyond that 98.5 per cent.

Mr. Williams: I thank the Minister for that reply. However, he may be aware that 30 years after the Crawford report on universal broadcasting coverage, 3 per cent. of homes in Wales are still unable to receive television signals. Indeed, 36,000 homes in Wales cannot receive public service Welsh broadcasting. Given that little improvement appears likely before digital

switchover in 2008, will he undertake to meet a delegation of Welsh MPs to find a solution to that disgraceful state of affairs?

James Purnell: I would be happy to meet a delegation of Welsh MPs. Digital terrestrial television will help the hon. Gentleman's constituents, once we switch off the analogue signal—I believe that there is little digital terrestrial coverage in his constituency at present. Of course, consumers who want digital television before then can get satellite, and broadband television is in the pipeline, which will further help his constituents.

Paul Farrelly (Newcastle-under-Lyme) (Lab): My hon. Friend will be aware that the strength and reliability of the digital signal leaves a lot to be desired, not only in rural areas such as the rugged and remote SAS training grounds of Brecon and Radnorshire, but in my constituency, especially in respect of Channel 5. What reassurance can he give my constituents and the House that those issues will be satisfactorily addressed before a decision is made on digital switchover?

James Purnell: We will consider all those issues as part of our policy development for digital switchover, which should help his constituents receive digital terrestrial. That is why we have committed to maintain the current level of coverage, but Ofcom is also considering whether it can help my hon. Friend's constituents to get digital television in any other ways. For example, by 2012, if someone has electricity, they should be able to receive television through broadband, and that would help his constituents receive Channel 5.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): What steps has the Minister taken to ensure that people living in social housing and multiple dwelling units, who rely on landlords to provide digital reception facilities, will be able to carry on watching television after digital switchover occurs?

James Purnell: The hon. Gentleman raises an important issue and, in the pilots that the Department will carry out on digital switchover, we will consider it carefully. In particular, we will consider whether the aerials on shared and social housing need to be improved to ensure that people get adequate reception.

London Olympic Bid

7. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment has been made of the likely impact on the midlands area of the Olympic games being held in London in 2012. [2997]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): We are determined that every part of the UK, including the midlands, will benefit if we win the bid to host the games in 2012. There are many ways in which that can be achieved, including volunteering, hosting pre-games preparation camps and other economic opportunities that will arise.

David Taylor: There are several golden reasons why the London 2012 Olympics would be good for the UK, but according to the June "UK Economics Focus" report, the economic case would not even merit a bronze. It calculates a tiny boost of £9 billion over 12 years to the UK economy, which is about one sixteenth of 1 per cent. of GDP, and even that may be at the cost of London diverting jobs and investment from other English regions, such as the midlands. What does my right hon. Friend have to say to that?

Tessa Jowell: Every regional development agency supports London's bid for the Olympic games. My hon. Friend is right to underline caution; it is certainly the case that London will benefit more than other parts of the country, but we are determined, by active policies such as those I have outlined, that each part of the country will derive benefit. My hon. Friend should also take note of the high level of public support for the Olympic games among his constituents and, I suspect, among the constituents of every Member. Winning the Olympic bid is the greatest honour that sport can bestow, which is why the House is united in support of the London 2012 bid. I hope that the House will unanimously endorse good wishes for the chances of the team representing the United Kingdom and London in Singapore at the beginning of next month.

Mark Pritchard (The Wrekin) (Con): What plans does the Secretary of State have for Shropshire—[HON. MEMBERS: "Hear, hear."] Absolutely. I am glad for that clear support.

What plans does the Secretary of State have for Shropshire and, in particular, The Wrekin constituency, which, as she already knows, includes Lilleshall, the home of our national gymnastics association?

Tessa Jowell: I am quite sure that the good people of Shropshire will wish to volunteer to assist with the Olympic games. If we are successful, the games will require more than 70,000 volunteers so that they can be properly organised. The facilities that are already available could be extremely valuable as preparation camps and Members on both sides of the House will be able to speak up on behalf of such facilities and on behalf of their constituents to ensure that they, too, benefit from the games.

Mrs. Madeleine Moon (Bridgend) (Lab): Does the Secretary of State agree that the greatest legacy of the Olympics will be its inspiration to children and young people to achieve their potential in sport? That will give us a future generation of capable athletics and sports students who will be able to take us forward into the next century.

Could the Secretary of State also comment on the discussions that have been taking place to ensure that children in my constituency in Bridgend, in Wales—

Mr. Speaker: Order. There is only one supplementary question.

Tessa Jowell: My hon. Friend the Member for Bridgend (Mrs. Moon) is right. It is precisely to encourage and bring on that new talent and ambition for sport that we are creating entitlement to two hours of sport every week for every child in every school. It is also why we have introduced the 2012 Olympic scholarships from which, already, 100 of our most

talented young athletes will benefit and which remove the obstacle that money is a prerequisite for athletic success.

Hugh Robertson (Faversham and Mid-Kent) (Con): On behalf of the Conservative party, may I extend my very best wishes to the Secretary of State and the London bid team in their efforts to bring the games to London? Given the obvious benefits of the bid, can the Secretary of State explain to the House why the Government have not strengthened the London bid by rebating the tax take, as they have with Bob Geldof's concerts, thereby putting £320 million back into the Olympic games?

Tessa Jowell: The hon. Gentleman is simply rehearsing an argument that has been paraded on the Floor of the House on many occasions. His argument relates specifically to the lottery and to the tax regime that will apply to the Olympics more generally, all the details of which are set out in the candidate file. There are clear rules about not varying the undertakings given once the candidate file has been published, and even if that rule did not exist we should abide by the present requirements.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): On behalf of the all-party group on the Olympics, may I wish the delegation well when it goes to Singapore next week? When we have won, is it the intention of the Secretary of State to hold an audit or big conference to explain to everyone who does not have a constituency in London how they can best benefit from the games?

Tessa Jowell: The Government's commitment to ensuring that the benefits are felt throughout the United Kingdom and, as my hon. Friend the Member for Bridgend said, that young people and children begin to be inspired by the prospect of the Olympics coming to London in 2012 will be a very high priority. I agree with my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) and give him a guarantee of undertaking.

Veterans Reunited

8. **John Smith** (Vale of Glamorgan) (Lab): If she will make a statement on the award of lottery funding for veterans reunited activity. [2998]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): The veterans reunited programme is providing a total of £37.3 million of lottery funding to a wide range of activities and projects to commemorate the 60th anniversary of the events that led to the end of the second world war and to allow a new generation to learn from the experiences of those who lived through that time.

John Smith: I thank my hon. Friend for that reply, but can he update me on what progress is being made for veterans awareness week next month? Will he join me in paying tribute to the hundreds of organisations throughout the country that are organising events and initiatives to support this very important occasion and, not least, to the Royal British Legion in the Vale of Glamorgan, which plans to refurbish the hall of memories in the Barry memorial hall as a tribute to those who paid the ultimate sacrifice?

Mr. Lammy: My hon. Friend is absolutely right. This is an historic opportunity, not just for those who lived through the war and who are now able to go back and visit places where friends fell, but to ensure that a new generation benefits from those individuals and their experiences. Alongside the veterans centre, 12 museums will be able, because of funding from the big lottery, to take part in a living museum exhibition so that those veterans' experiences are shared. This is an historic opportunity and I hope that the lottery will be able to support veterans beyond this year and into the future.

Mr. Lindsay Hoyle (Chorley) (Lab): Obviously, we welcome that statement. The 60th anniversary has been important because people have been able to return and recap their memories. Will my hon. Friend ensure that the programme will continue, because it will be the 25th anniversary of the Falklands war in two year's time? We ought not to forget that and should allow veterans to return to the Falklands. Will he consider funding for that as well?

Mr. Lammy: My hon. Friend will know that it is not for me to make individual decisions from the Dispatch Box about who gets funding. I have recognised the 60th anniversary of the second world war, and I am sure that the chair of the lottery fund will be happy to meet my hon. Friend to discuss anything that they might be able to do for veterans of the Falklands war.

Big Lottery Fund

9. **Tony Baldry** (Banbury) (Con): What steps the Government are taking to ensure that the Big Lottery Fund provides funding to organisations working in less well-known or understood areas. [2999]

The Minister for Sport and Tourism (Mr. Richard Caborn): We want to see all areas of the country and all sections of the population benefiting from the huge success of the national lottery. Lottery distributors need to respond to people's priorities, but must also be prepared to look at new things and take a little risk from time to time. The Big Lottery Fund will be responsible for determining its own programmes and how they are delivered, and for making all funding decisions.

Tony Baldry: Is the Minister aware that, in and around Oxford, a number of medical research charities do invaluable work and that they are concerned that they will be squeezed out of national lottery funding because they are not necessarily nationally well known and their work is not immediately glamorous? How are such medical research charities going to be protected under the procedure of the Big Lottery Fund?

Mr. Caborn: First, health and the developments on the additionality side of that will obviously be part of the Big Lottery Fund. The hon. Gentleman will probably have an opportunity to make an impact on this issue tomorrow on the Second Reading debate of the National Lottery Bill, a major part of which is about the development of the Big Lottery Fund. We have given

clear assurances to those who have been funded previously that they will be catered for in the development of the three into one and the Big Lottery Fund. However, if the hon. Gentleman catches your eye tomorrow, Mr. Speaker, no doubt he will be able to underline that point.

Mr. Hugo Swire (East Devon) (Con): So as better to inform us in advance of tomorrow's Second Reading debate, will the Minister state whether he believes in the Prime Minister's categorical statement back in 1997:

"We don't believe it would be right to use lottery money to pay for things which are the Government's responsibility"?

Given the new definition of charitable expenditure in the National Lottery Bill, what directions will he be giving to the Big Lottery Fund and the distributors to ensure that the principle of additionality does not continue to be breached and that smaller and less populist charities will continue to get their fair share of lottery funding?

Mr. Caborn: As I said, the debate on the new Big Lottery Fund will take place tomorrow on Second Reading. We have reiterated—this came out clearly in the consultation—that additionality is one of the cornerstones of the lottery fund. Indeed, it will be a cornerstone and the heart of the Bill that we will consider tomorrow. We are not breaching that principle, and that was shown in the two consultations that took place throughout the whole country.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Ordinations

21. **Chris Bryant** (Rhondda) (Lab): How many (a) male and (b) female ordinands will be ordained this year. [2981]

The Second Church Estates Commissioner (Sir Stuart Bell): We are expecting around 460 ordinations in 2005. Of those, around 240 are men and around 220 are women.

Chris Bryant: It is good to see my hon. Friend still in his job—while reshuffles occur, he stays put. Some 220 women will be ordained this year, so the number of women ordinands is rapidly catching up with the number of male ordinands. When does he hope to be able to bring forward legislation to abolish the stained glass ceiling that exists for women in the Church and allow the ordination of women bishops?

Sir Stuart Bell: I am grateful for my hon. Friend's remarks. As he knows:

"God moves in a mysterious way,

His wonders to perform".

He will know that the General Synod has been debating the elevation of women to the episcopate for some time. It noted a theological examination of the matter in February, and will consider in July whether the process of removing legal obstacles to the ordination of women to the episcopate should be set in train. His remarks and interest in the matter are well noted and will be encouraged.

Michael Fabricant (Lichfield) (Con): How concerned is the hon. Gentleman about the reducing number of applications for people to join the Church? Is he aware that we have been waiting a long time in Lichfield for a replacement dean? When are we going to get him—or her?

Sir Stuart Bell: It is clearly a day for quoting the Scriptures, or otherwise. As the hon. Gentleman knows:

"The mills of God grind slowly, yet they grind exceeding small."

Anticipating his later question, there is a wide range of reasons why some appointments can take longer than others. As for the appointment in Lichfield cathedral, I often think that a delay is a blessing in disguise because it allows for greater reflection and, often, a better appointment. I am sure that he will be agreeably surprised when the appointment is made.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Electoral Register

22. **Mr. Graham Allen** (Nottingham, North) (Lab): If he will ask the commission to make the marked electoral register available in electronic format. [2983]

Peter Viggers (Gosport): I am advised that responsibility for making marked electoral registers available lies not with the Electoral Commission but with the relevant authorities for the election concerned, such as the Clerk of the Crown for parliamentary elections. In its comprehensive report on the marked electoral register published in February 2005, the Electoral Commission made a number of recommendations for change relating to the availability of marked electoral registers, but did not address the issue of making them available in electronic form.

Mr. Allen: Hon. Members representing all parties in the House will know that the marked register is a vital tool for increasing participation in our democracy. One can discern those people who choose to vote, and those who choose not to vote, by getting hold of the marked register, but if hon. Members wish to do that, they must write to Pickfords, in Bow, east London, and pay for a photocopy of the register. Does the hon. Gentleman agree that it is about time that we had the document in electronic form so that all parties in here who are interested in contacting their electors—unlike some—can do so for the benefit of our democracy?

Peter Viggers: With respect to the hon. Gentleman, it would be perverse for the marked register to be made available in electronic form if it is not available in an unmarked form. Progress is being made, however. The object of CORE, the co-ordinated online register of electors project—co-ordinated by the Department for

Constitutional Affairs—is to produce a register in electronic form in due course. That could be one step on the way to an electronic register in marked form, if the authorities choose to follow that through.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Surely the problem is that if we can, sadly these days, hardly trust the written form of the register and ballot papers, how on earth can we be expected to trust a twisted, obscure, vague electronic form? Will my hon. Friend guarantee that nothing will be done to make voters vulnerable to electronic fiddling and intervention of a kind that few of us can possibly understand?

Peter Viggers: One point on which the Electoral Commission has reached a view is that voters should not be deprived of voting in person at ballot stations. I am also sure that my right hon. Friend's comments on the technique will be noted.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Will the Electoral Commission intervene with the relevant authorities? I applied to receive a photocopy of the marked register two days after the election. I am still awaiting a response and have not heard whether it will be made available. Surely that is far too long to wait to get that essential information.

Peter Viggers: I will ensure that the hon. Gentleman's complaint is noted. The Electoral Commission's view that polling progress information should not be available before polls close is relevant, although I recognise that his complaint relates to an application after the polls closed.

Mr. Jonathan Djanogly (Huntingdon) (Con): In many ways, the Electoral Commission shows itself as more advanced than the Government in highlighting the need to deal with electoral fraud. Does the Speaker's Committee on the Electoral Commission believe, however, that a more efficient electronic marked register might aid the ability to check frauds after the election has happened?

Peter Viggers: Indeed. The CORE project is intended to do exactly that. The Government are working with various agencies, including those responsible for drawing up different electoral registers, and are trying to ensure that work is co-ordinated so that there is a national scheme, on a mandatory basis, in due course.

Mr. Brian Jenkins (Tamworth) (Lab): I welcome the hon. Gentleman's last remarks. I would welcome the day when my constituents and I can access a website that allows us to see whether they have voted, so ensuring that impersonation has not taken place. Double checking that information is a method of controlling electoral fraud. Electronic information is often available to the parties and party workers, but not to members of the public.

Peter Viggers: The Electoral Commission has recommended that marked registers of returned votes and polling progress information should not be available before polls close, as they have been in some pilot schemes. Surveys have shown that making the marked register available could undermine public confidence in the electoral process, and only 15 per cent. of people wanted that information to be made available during the election.

Mr. David Heath (Somerton and Frome) (LD): Following on from the question of the hon. Member for Tamworth (Mr. Jenkins), there was concern about the integrity of the electoral process—in particular that of postal votes—during the recent election. Recommendation 11 in the Electoral Commission's excellent report "Securing the vote" is that the lists and records of absent voters—those who have applied for postal votes or a proxy vote—should be made available before the date of the election so that people can check whether they have "applied for" an absent vote. Has that received any support from the Government?

Peter Viggers: The Government have responded to the publication "Securing the vote" and to other recommendations made by the Electoral Commission. It made 43 recommendations, virtually all of which have been accepted. It is particularly pleased that there was room in the Queen's Speech for a proposal to introduce a Bill in the coming Session.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church Tourism

23. **Ben Chapman** (Wirral, South) (Lab): What assessment he has made of the potential of church tourism as a source of revenue to aid the upkeep of churches. [2984]

The Second Church Estates Commissioner (Sir Stuart Bell): Assessment is difficult, because in practice only a few cathedrals charge for entry, and entry to churches is freely available.

Ben Chapman: Is my hon. Friend aware that our churches are an important and unique national asset that is under-exploited in tourism? I commend to him the work of the North West Multi-Faith Tourism Association, and urge him to encourage the Church and other agencies to attach due importance to the role of faith tourism, not least because it can help to maintain historic churches and play a part in the local economy?

Sir Stuart Bell: I am aware of the North West Multi-Faith Tourism Association, which is one of many tourism initiatives the Church welcomes. As the hon. Member for Vale of York (Miss McIntosh) is in the Chamber, I should mention the North Yorkshire church tourism initiative, which revealed huge scope for developing church tourism in the county. We would, of course, welcome the establishment of the post of national church tourism officer. In 2000, York minster, Canterbury cathedral and Westminster abbey were placed second, third and fourth for visitor numbers to historic properties, behind the Tower of London.

Robert Key (Salisbury) (Con): In Salisbury, we are well aware that the success of church tourism depends

on the proper upkeep of church buildings. What estimate have the Church Commissioners made of the impact of the proposed changes to the National Lottery Bill that the House will consider tomorrow, as the distribution of lottery funds could mean that the heritage lottery fund will lose up to £15 million a year? That money could be spent on grants to our historic churches, so its loss would have a severe impact on church tourism.

Sir Stuart Bell: I am grateful to the hon. Gentleman. He has raised the issue before, and we have looked into it. The nation's heritage needs a sensible funding partnership with the state for church buildings. He will be aware that the listed places of worship grant scheme is an example of valuable state support. The Church needs £100 million a year for the upkeep of its buildings, and we are always urging the Government to do more for us. Again, to use a Scriptural quotation:

"Those who have ears, let them hear."

Church Repairs

25. **Miss Anne McIntosh** (Vale of York) (Con): What the take-up rate is for grants to churches equivalent to VAT on church repairs. [2986]

The Second Church Estates Commissioner (Sir Stuart Bell): As at 2 February this year, 6,907 applications for VAT refunds have been made under this scheme; since 1 April 2004, 5,668 of them from churches in England. About £8 million has been paid out, £6.5 million to English churches.

Miss McIntosh: I thank the hon. Gentleman for his answer and I congratulate him on the confirmation of his appointment in this Parliament. When we discussed this issue in the last Parliament, he expressed disappointment at the take-up of grants. Is that because of the administration involved? Is he more satisfied with take-up now, and what more can right hon. and hon. Members do in their constituencies to urge churches to apply for the grant?

Sir Stuart Bell: I am grateful to the hon. Lady for her kind words of congratulation on my reappointment. The Church felt that the appointment should be kept on the basis of better the devil you know. I hope that the press do not pick that up.

Since my earlier statement about take-up, I am happy to say that almost £980,000 was paid out under the scheme in February this year, which suggests that the scheme is picking up. We welcomed the Chancellor's statement in March that the scheme would continue until March 2009, and would be extended to memorials.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): It is always a pleasure to listen to my hon. Friend, and it is a delight to hear him answer our difficult questions. Does he accept that this is a way in which mediaeval buildings can receive a positive boost? Would he at least consider whether any further work needs to be done on publicising the advantages of the scheme?

Sir Stuart Bell: I am grateful to my hon. Friend for her comments. She is perfectly right. As the Chancellor of the Exchequer said in March:

"Churches and sacred places are at the centre of our religious life and the history and the fabric of our country."—[*Official Report*, 16 March 2005; Vol. 432, c. 264.]

We should continue to try to get the word out through the Church press and other press that the scheme is valuable for church upkeep and repairs, and I welcome her suggestion.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Service Personnel

28. **Mr. Andrew Robathan** (Blaby) (Con): Whether the Electoral Commission plans to review arrangements for voting and registration by service personnel. [2989]

Peter Viggers (Gosport): I understand from the Electoral Commission that, working closely with the Ministry of Defence, it provided electoral information in various ways to service personnel ahead of the recent general election. Any change to the existing statutory arrangements for voting and registration by service personnel would primarily be a matter for the Government.

Mr. Robathan: I am grateful to my hon. Friend for that response. Unfortunately, the information did not get to service personnel before the last election. Indeed, my understanding is that many units were not contacted at all about the issue. Will he therefore make representations to the Government, if he can do so in his position, to include in the legislation that they are introducing some means by which service personnel, who serve the whole of Britain overseas and elsewhere, defending our interests, are given a proper chance to vote, which they were not given on 5 May?

Peter Viggers: I am instructed that the Electoral Commission currently has no plans to conduct a formal review, and neither have the Government asked it to do so. However, my hon. Friend will have been present in the House on 6 June, when the Secretary of State for Defence undertook to make contact with the chairman of the Electoral Commission. He has done so, and I know that both the Ministry of Defence and the commission are listening carefully to representations from hon. Members. They are particularly keen to hear about specific cases in which service personnel may have been deprived of the vote.

Points of Order

3.31 pm

Mr. David Cameron (Witney) (Con): On a point of order, Mr. Speaker. Over the weekend, the Secretary of State for Education and Skills announced a policy of extended hours that could affect every school in the country. No one in the House has had the chance to ask any questions about it. Are you aware that this is the third example in a week of the Secretary of State ignoring this Chamber? She announced a massive change to the way in which our children will be taught to read, involving reviewing the national literacy strategy, and in response to pressure, she announced an audit of special schools, which will affect many constituencies represented in the House. So far, we have not had even a written ministerial statement, let alone an oral one. Have you had any approach from the Secretary of State about making a statement this afternoon? Should she not come here and spell it out?

Mr. Edward Davey (Kingston and Surbiton) (LD): Further to that point of order, Mr. Speaker. Will you undertake to speak directly to the Secretary of State about her discourtesy today? We on the Liberal Democrat Benches share the views expressed by the hon. Member for Witney (Mr. Cameron). The Government's plan may be welcome, but it raises more questions than it answers, as one sees when one looks at the detail. It makes no mention of school transport arrangements for the extended day, for example, which threatens not Kelly hours, but Kelly rush hours. When will we have a chance to debate this issue and ask the Secretary of State questions?

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker.

Mr. Speaker: Well, let me answer both points, and perhaps that will help the right hon. Gentleman. I am on the record as saying that I want Ministers to come to the House, but I need help from Members of the House, particularly on the Front Benches. No application was made for an urgent question today. That does not mean to say that I would have granted an urgent question, but at least I would have had a mechanism before me to require the Minister concerned to come before the House. I lay down that matter; I know that Monday is a day when people are a bit slower and are not so quick off the mark, but that is the way to do things.

Mr. Forth: You will recall, Mr. Speaker, as I do, that when this matter came up last week, the Leader of the House wriggled and evaded in his usual way by saying that Ministers were obliged to come to the House only when a new matter was being raised. He wrongly claimed that if it was an existing matter, they had no such obligation, in spite of your rulings. The matter that is being raised now is patently a new one, but Ministers are still apparently evading their responsibilities. It really is time that this issue was sorted out once and for all and that ministerial evasion was stamped on, preferably by you.

Mr. Speaker: I did not notice that the Leader of the House was wriggling at that particular time, but he was quite right: new matters are different from matters that are already the policy of the Government. As I said, those on the Front Bench in particular can take note of these things.

Orders of the Day

Finance Bill

(Clauses 11, 18, 40, 43, 44 and 69 and Schedule 8)

Considered in Committee.

[SYLVIA HEAL *in the Chair*]

Ordered,

That the Order in which proceedings in the Committee of the whole House on the Finance Bill are to be taken shall be Clauses 11, 18 and 40, Schedule 8, Clauses 43, 44 and 69 —*[Mr. Ivan Lewis.]*

Clause 11

DONATIONS TO CHARITY BY INDIVIDUALS

3.35 pm

Mr. Mark Francois (Rayleigh) (Con): I beg to move amendment No. 36, page 11, line 40, at end insert—

'(h) interactive experiments with an educational purpose.'.

The First Deputy Chairman of Ways and Means (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 35, in clause 11, page 12, line 1, leave out 'one year' and insert 'three months'.

No. 1, page 12, line 8, after 'family', insert

'or of that person and an accompanying group of no more than twenty individuals.'.

Mr. Francois: It is a pleasure to open the batting for the Opposition this afternoon on the first clause of the Finance Bill to be considered in Committee of the whole House.

Several changes have taken place at the Treasury since the general election, so with your leave, Mrs. Heal, I shall begin with a few quick courtesies. In his absence, I welcome the new the Chief Secretary to the Treasury, the right hon. Member for Kilmarnock and Loudoun (Mr. Browne), who is now the other Browne—Browne minimus—at the Treasury. I congratulate the hon. Member for Wentworth (John Healey) on his promotion from Economic Secretary to Financial Secretary and wish him luck, but not too much luck, in his new role. Finally, I congratulate the hon. Member for Bury, South (Mr. Lewis) on his joining the Treasury as the new Economic Secretary. He will be my direct opposite number, and I look forward to shadowing him in what I hope will be a constructive spirit.

Amendment No. 35 seeks to reduce the specified period in proposed new subsection 5H from one year to three months. Amendment No. 36 seeks to expand the range of charities that may claim gift aid on their admissions under subsection 5G to include those facilities which have

"interactive experiments with an educational purpose."

In addition, my hon. Friend the Member for Wimbledon (Stephen Hammond) is a new hon. Member, but he has had the gumption to propose his own amendment to the Finance Bill, which augurs well for the future. I look forward to hearing what he has to say, and I will seek to respond to his amendment in my winding-up speech.

[Mr. Francois]

On a procedural point, as clause 11 deals with changes to the tax treatment of gift aid in relation to a number of charities, in the interests of transparency, I declare an interest as a member of English Heritage, the Natural Trust and the Essex Wildlife Trust. With specific regard to amendment No. 36, I also declare an interest as a member of the friends of the Royal Air Force Air Defence Radar museum at Neatishead in Norfolk.

The concept of gift aid, which is at the heart of clause 11, was introduced by John Major when he was Chancellor back in 1990. Since then, it has helped to generate billions of pounds of tax-efficient donations to charity. Gift aid has been through a variety of changes since then, which, the Committee will be pleased to hear, I do not propose to apprise in detail now.

This afternoon's debate directly relates to a specific measure in the Finance Act 2000 that had the stated aim of encouraging new donations to charity. To cut a long story short, those changes to section 25 of the Finance Act 1990 permitted charities specifically involved in the conservation of heritage property or the conservation of wildlife to begin to reclaim gift aid on admission charges to their premises. In that context, it is important to note that that outcome was not the Government's stated intention, but a number of charities sought to take advantage of it with the subsequent agreement of the Inland Revenue, which is an important point. Indeed, paragraph 3.12 of the Government's own regulatory impact assessment to accompany the proposed changes to the gift aid regime states:

"Changes to the Gift Aid rules in Finance Act 2000 mean that heritage and conservation charities are acting within the terms of the law by seeking donations that give a right to free day admission. This has become established practice, and guidance produced by the Inland Revenue confirms it is within the terms of the existing Gift Aid legislation."

It is important to establish at the outset that what the Government propose to change has become established practice over the past few years, and that the Inland Revenue fully acknowledges that.

That brings me to the cost of these measures. In the debate on Second Reading, it was notable that when Ministers were pressed for the estimated cost of making the changes—that is, the amount of money that, in their view, the Revenue was losing, and that they wished to make up by amending the gift aid regime—they were noticeably reluctant to give that figure on the Floor of the House. However, if one looks into the detail of the regulatory impact assessment, as I have, it is clear that on several occasions the Government estimate that the amount of revenue in effect forgone by the Treasury is approximately £10 million. All public money is important—I would not deny that—but the Government are bringing in a change that will have a very significant effect on the charities and museums sector, particularly small and independent museums, and they must acknowledge that although there is not a vast amount of public money at stake here, it will necessarily have an important effect on the institutions in question.

Following the Government's decision in December 2001 to grant free admission to 50 or so Government-funded national museums and galleries, many charities that do not receive subsidies took advantage of the gift aid provisions to allow them to continue to compete with neighbouring attractions, entry to which had become free to the viewing public. Thus the situation post-2000, which pertains today, has helped to maintain something of a level playing field between subsidised and unsubsidised charities and museums, even though the Government admit in their RIA that that was not originally their intention. Again, this particularly affects smaller independent museums which are highly reliant on admission fees as a source of their income.

The reasoning behind the Government's proposals was, as they stated as far back as the pre-Budget report 2003, that gift aid had become, in the words of the Paymaster General, "a loophole", and that the facility was therefore to be withdrawn, even though the Inland Revenue had admitted to the museums and charities sector that it was perfectly within its rights in using it. Perhaps not surprisingly, that rapidly led to the Government getting into trouble with the charitable sector. Under a considerable amount of fire, not all of it very charitable, the Government began to back away and encouraged the consultation on the proposed changes. They came back with a modified scheme, which was presaged in pre-Budget report 2004 and is now contained in the Bill.

The proposals do not abolish the ability of charities to claim gift aid on admissions—we concede that—but rather reform it, with conditions and, in fairness, in order to allow additional institutions to qualify to claim gift aid, albeit on the revised basis. Those new conditions are addressed by amendment No. 35. New subsection (5H) sets either of two conditions by which institutions can continue to claim gift aid. In essence, they can do so either by charging an additional 10 per cent. on the admission fee for those people who wish their payment to be reclaimed as gift aid by the institution that they are visiting, or by granting a right of free admission for a year in return for an admission fee being reclaimed for gift aid. However, having contacted a considerable number of institutions over the past week, it is clear that implementing the changes presents several very practical difficulties.

3.45 pm

First, there is a problem with the additional 10 per cent. provision. For example, several visitors who do not mind gift-aiding their current admissions fee may, to put it bluntly, be reluctant to do so if they realise that it will subsequently cost them extra to visit the attraction that they have come to see. One can imagine a family group being unwilling to pay, for example, an extra pound for each member simply to help the institution when they have come to visit the attraction itself.

In addition, there is the problem of staff at the ticket desk having to explain the difference to each group of visitors as they attempt to pass through. I presume that the staff would be encouraged by the charity's directors or trustees to try to persuade as many people as possible to sign up. That might sound easy in theory but it could be difficult in practice for the ticketing staff, especially on a hot summer's day, with long queues waiting to get in, perhaps many containing impatient children, who have already pestered their parents senseless.

There is also the additional cost for modified tills and accounting systems, compared with the relative simplicity of the current system, whereby visitors pay

their money, fill in a gift aid declaration and go in. The Government's regulatory impact assessment assumes a 70 per cent. take-up of the facility but several institutions that my office contacted in the past week were especially sceptical about the matter.

For example, Mr. Alan Bentley, the director of the Brontë Parsonage museum, points out in a letter:

"I think it is very unlikely that we will be able to continue to use the scheme in the way that we do now as I do not think that many of our visitors will give the extra 10% and the need to allow 12 months entry undermines our membership benefits and so will need careful marketing to our members. Membership of the society is the lifeblood of the organization."

Mr. Keith Merrin, director of Bede's World in Jarrow, makes a similar point in a letter. He states:

"Our main concern about the changes to the scheme are that once again they will disadvantage independent museums such as ours who already exist in an environment that seems unfairly weighted against us. Bede's World does not receive any funding from DCMS nor is it part of the Renaissance in the Regions scheme which benefits many of the large local authority run museums in the region. As a result, the museum is reliant on charging admissions to visitors. The ability to reclaim Gift Aid seems to be one of the few areas of the funding system that favours a museum such as ours."

He goes on to provide some specific criticisms of the proposals. He states:

"We believe that the suggested changes to the scheme will significantly reduce our income from this source for two reasons:

1. The simplicity of the scheme and therefore its popularity with visitors as it stands lies in the fact that taxpayers are being given a very straightforward proposition (that is to pay the same amount as they would have done but make it as a donation). The suggestion that in future they will be asked to pay a further 10% would, I believe, have a detrimental effect on the take-up and therefore our income."

For good measure, he adds:

"The museum already operates a season ticket scheme through our Friends association at a charge roughly double the admission price. As such the suggestion of giving annual membership for the price of a single admission would have a serious impact on this scheme and overall reduce our annual income.

In summary, we do not feel the changes to the scheme as suggested would be of benefit to the museum and would favour a recognition that the scheme as it currently works is in fact of great benefit to museums like ours who in turn provide a huge service to the communities and economy of the country without the need for large amounts of public funding."

That appears to me to be a reasonable presentation of the case.

In case the Economic Secretary has missed the point, Frances Snowden, who is the development assistant at the Abbot Hall art gallery in Kendal, puts it in another way in an e-mail. She states:

"The former option"—

that is, the 10 per cent. option—

"requires that reception staff explain this complex system, and ask if the visitor is willing to provide a donation of 10% greater than the entrance fee. However well presented the case, all signs point to this being entirely unworkable, and the vast majority of visitors will not be willing to pay this premium on the entrance charge. The immediate loss to the Trust of Gift Aid money, based on this year's income, will be £53,000. For comparison, this equates to the trust's entire budgets for exhibitions at both Abbot Hall and Blackwell."

So that we can understand what is at risk, she goes on to say:

"The Education Department of the Trust provides inspiring workshops and free visits for children from all over Cumbria and from North Lancashire. This year, thousands of children have benefited from their work, and the Trust has taken on a new member of staff. Once again, this programme, at the heart of what the Trust aims to do, will be seriously threatened by a drop in expected income."

To contribute to the debate, the industry established the Attractions Gift Aid Liaison Group, the AGALG, and I understand that it has had a dialogue with the Minister over this issue for some time. At the risk of embarrassing him, the reports from the group are that the Minister has conducted the negotiations in a civil manner and has attempted to take on board some of the points that the group has been making. I am not seeking to make an overly partisan point.

I have, however, spoken to the chairman of the group, Mr. Ken Robinson, who was keen to stress that he is not anxious to be involved in partisan politics. He said that the group had reservations about the practical applicability of this option. He sent an e-mail, which reads:

"The assumption has been made in the Regulatory Impact Assessment that a 70 per cent. take-up by donors . . . would mean that there would be no net loss caused by these changes. It is the general opinion of potentially eligible Attractions that this level will not be achieved on the proposed future terms, and would only be possible at many Attractions if additional benefits can be persuasively offered."

Overall, among the institutions which my office has contacted over the past week, there was comparatively little enthusiasm for the additional 10 per cent. option, if I can give it that name.

I move on to the option of free admission for one year. It, too, presents a number of difficulties, to which I have referred in several of the extracts that I have shared with the House. The principal problem is that many charities that qualify use annual admission as an important part of their membership campaigns. Being able to achieve the same benefits simply by visiting the institution once would, in effect, tend to undermine that approach.

Helen Toolan, the museum curator of the Murton Park museums—a group of museums headquartered in York—had the following to say:

"By continuing with Gift Aid in its new guise visitors who participated in the scheme would then be allowed free entry to the museum for the coming year, this is an impossible situation, which would mean the loss of substantial income for the museum that it currently has from its admissions. If Gift Aid were to change, it would mean two things: firstly, smaller museums would not be able to afford to participate in the scheme because of the increased cost to the visitor in admissions and secondly a loss of much needed income that Gift Aid currently provides."

Diane Perkins, the director of Gainsborough's House museum in Sudbury, has the following to say:

"In direct response to (5H) . . . To give the right of admission for the whole year for £3.50 would dramatically affect our income—many people repeat visit during the year to see our changing exhibitions and attend events. It is most unlikely that visitors would choose to give an extra 10 per cent. just so that the charity can reclaim the tax. It would also be very difficult to explain and complicated to administer."

She adds:

"Having been already adversely affected by the change in VAT Cultural Exemption rules in June 2004 which will cost the charity about £10,000 over the next two years, we are dismayed at this

[Mr. Francois]

second tax change within 10 months. Rather than Government's tax changes helping small charities to exist, they are actually causing considerable financial difficulties, which will result in reduced performance and services to the public through no fault of the organisation."

I think that the director is seeking to make an entirely reasonable point.

Amendment No. 35 seeks to reduce the amount of time for which the charity would have to allow free admission down to three months. This would be better because it would provide some sanction over the current situation, but it would not undermine the attraction of annual membership, which so many small and independent charities have assured us is extremely important to their revenue stream.

That point is also supported by the Association of Independent Museums, which, I believe, has also been involved in dialogue with the Minister. Bill Ferris, AIM's chairman, says:

"Many charity museums have effective and well developed annual memberships (friends) schemes. A reduction to 3 months in the eligibility period would prevent conflict with the existing schemes."

I would therefore ask the Minister, who has already spent considerable time on this matter, to consider seriously amendment No. 35. It allows some modification of the scheme to protect revenue, which we understand that the Revenue was seeking to do all along, but not to the point at which the annual visiting rights included in many memberships packages, on which independent museums rely, are undermined. It is also important to remember that such museums are competing daily with other larger museums, regional or national, which effectively receive considerable subsidies and to which potential visitors can go for free.

In the six months or so during which I have shadowed the Minister, he has normally played a pretty straight bat. Therefore, if he can assure me that the Government will consider the matter again, and come back with something new on Report, I assure him that I will not press the matter further today. If he is unable to offer any concession, however, or even the prospect of a concession on Report, we might have to test the will of the Committee in the Lobby. I have done my best to present that case, and I hope that he will give it a fair hearing on behalf of all the independent museums and charities that are clearly concerned about the matter.

Amendment No. 36 relates to the types of charities and institutions that might in future qualify for gift aid on admissions charges on the revised basis. I should explain to the Minister and the Committee that we have tabled this amendment to try to elicit the Government's thinking on a specific matter, including the reasons why they came up with their list, and I hope that he will appreciate that when he replies. The list of those bodies in subsection (5G) is expanded beyond the original two categories, which I mentioned in my opening remarks, to include: buildings, grounds or other land, plants, animals, works of art—but specifically not performances—artefacts, and property of a scientific nature. We welcome that in principle, but it would be helpful to have some idea of the anticipated cost of the measure, at least in broad terms. In the regulatory impact assessment, the Government gave their anticipated cost of the 10 per cent. provision for charities. We would now like to know what the Government think that widening the list will cost them. The RIA suggested that it would be broadly revenue-neutral, and we would like to know whether the Government hold to that view. As we had no figure on Second Reading, it would be helpful if the Government provided at least some figure in Committee this afternoon.

We would also like some clarification on the status of voluntary donations with regard to clause 11. Our understanding is that the provisions in the Bill will not apply to voluntary donations, and for the avoidance of doubt, we are not seeking to ensure that they do. To take one example, many cathedrals do not charge visitors a formal entrance fee but have a collection box with a notice encouraging visitors to chip in a certain amount. Clearly, that is a voluntary donation, and clarification that the new more complicated rules will not apply to them would be welcome. I am sure that Ministers do not wish to provoke divine wrath with their measures, so perhaps they could reassure all of us on that point.

In addition, some information on the operation of the proposed definitions would be useful, not least to those who operate museums that might qualify. A number of people who might have seen the provisions in the Bill, and the list of supposed new categories, will be wondering whether they might qualify. Perhaps the Minister could comment on how the Government intend to advise museums of their status, one way or the other, and to promulgate information so that potentially qualifying museums might have a chance to find out whether they will be able to take advantage. To give just one specific example—this is why I declared the fourth interest—would military museums, which are not historic buildings in their own right but which display military memorabilia, be covered under the heading of displaying artefacts?

4 pm

In amendment No. 36, we seek to widen the proposed list further by including

"interactive experiments with an educational purpose".

Our definition of such facilities would be museums that have invested in interactive displays aimed specifically at the education of their visitors rather than being there simply for their amusement. A theme park, for instance, would not qualify on that basis, but a local history museum that had produced an interactive display representing local conditions through the ages would.

It would be helpful to know more of the Government's thinking on all that, and to know how museums that think they might qualify could go about obtaining a definitive decision. The proposals are not currently due to come into force until April 2006, so there is time, but it would help those in the sector who read the report of this debate to have a clearer understanding of where they can go for a workable definition. I look forward to what the Minister has to say. I also look forward to hearing from my hon. Friend the Member for Wimbledon, and indeed from other Members.

During our consultations over the past week or so, we have found some museums and charities that were unaware of the proposed changes, despite the obvious work of the representative groups. That in itself is slightly worrying: there is a risk that some smaller

museums whose representatives may not read the Finance Bill with the alacrity of other people in the country will be caught short. As the revenue is important to them, that would be a shame. I hope that the Government will deal with the matter, if they are determined to press ahead.

I ask the Minister to give serious consideration to, in particular, amendment No. 35. It allows the Government to achieve what they want to achieve, in part, but it also hopefully removes the threat to the viability of some smaller independent museums that do not rely on Government or regional subsidy to remain in business, unlike museums that are effectively free at the point of use.

With that genuine plea to the Minister, I shall end my speech. I shall listen carefully to what others have to say.

Stephen Hammond (Wimbledon) (Con): I declare an interest, as a member of the Wimbledon Society, which has a small museum.

I wish to speak to the amendment that seeks to extend the definition of who can accompany a donor under gift aid in subsection (5I)(a). Last week on Second Reading I mentioned a number of small museums in my constituency, and also the Wandle industrial museum, which held an exhibition on Saturday. The chairman of its board of trustees is the Reverend Andrew Wakefield. It was somewhat surprising, therefore, to find that the board was sponsoring an exhibition on Nelson, especially as it featured the ménage à trois in which he lived in Merton. *[Interruption.]* For the benefit of the hon. Member for Rhondda (Chris Bryant), may I say that Nelson lived with Emma, Lady Hamilton, who was married to someone else at the time? It was odd to find a reverend member of the Church sponsoring such an exhibition.

The industrial museum is exactly the sort of small museum covered by the Bill. I asked Mr. Wakefield whether he had had a chance to read the report of last week's Second Reading or had heard anything about the clauses that were being suggested. It seemed that, like those mentioned by my hon. Friend the Member for Rayleigh (Mr. Francois), he had heard nothing, and nor had he had a chance to consider how the provisions might affect the museum.

On Second Reading I commented on the current position. Subsection (5I) explains that "right of admission" means a right of admission

"of the person who makes the gift or of that person and one or more members of his family".

That covers a number of circumstances: a parent taking a child; a parent taking another family member; and a parent taking a family member, plus certain other family members.

However, a parent's taking a group of children to a small exhibition or museum is currently disallowable under the gift aid clause. Given the many different circumstances that can arise, it is sensible to widen the terms of that clause, which is what the amendment seeks to do. The ability to make a donation should surely extend to everyone in the donor's party, and the amendment would remove the anomaly so that the whole party would be covered by the gift aid provision. Inserting "accompanying" would also ensure a link between the principal person and the group itself, instead of a spurious association. I accept that figure of 20 to which the amendment refers is an arbitrary one; none the less, that figure would cover most of the circumstances to which I referred earlier, such as a children's party or a local group or society trying to enter a museum. I hope that the Minister will consider accepting the amendment, which would simply clarify matters and allow a number of perfectly innocent people who wish to be admitted to be covered by the gift aid provisions.

I want to say a little about the amendments moved by my hon. Friend the Member for Rayleigh, which I hope the whole House will welcome and commend. When I spoke to various people after last week's Second Reading, it became clear that the one-year rule will create real problems for those who have established friends' groups for small industrial museums. Such groups often have a right of admission of a year. Unless the provision is amended, it would be rather odd if someone actually wanted to become a friend of a museum, instead of just paying their donation on the way in. Changing the period from one year to three months seems an acceptable idea that would provide valid support for museums.

On Second Reading, I referred to interactive displays. I have a child who regards viewing museum displays as a rather restrictive pastime and who is keen to take advantage of the various interactive hands-on displays. There is no real purpose to confining the current provision to viewing alone. Amendment No. 36 also refers to the "educational purpose", and I hope that anyone who enters a museum would regard doing so as educational. I hope that the Minister will accept the amendment.

Rob Marris (Wolverhampton, South-West) (Lab): Will the hon. Gentleman clarify what an interactive display or exhibition is? I have my own views—I have seen such displays in museums—but I wonder what his are.

Stephen Hammond: I can give two practical examples. The museum that I visited on Saturday contains a working scale model of a mill. Children can look at it, move it around and remove and replace its various parts. Another display included various panels that people can touch, with lights indicating different results. Instead of simply viewing the display, they can press buttons and involve themselves in interactive way. As I understand it, the amendment will allow such circumstances to be covered.

Rob Marris: That deals with "interactive", but will the hon. Gentleman say a little more about the second word in the amendment, which is "experiments"? The mill to which he referred may count as an experiment, but his second example, involving flashing lights, did not sound like an experiment.

Stephen Hammond: The amendment in question is not mine, so perhaps the hon. Gentleman should have sought clarification on that point earlier. I was merely discussing interactive displays.

I hope that the Minister will accept the amendment.

Susan Kramer (Richmond Park) (LD): I shall speak primarily to amendment No. 35, but I shall also say a

[Susan Kramer]

few words about amendments Nos. 36 and 1. I declare my various interests, which I discovered, once I started writing them down, are more extensive than I had realised. They include English Heritage, the National Trust, the Tate museum and, in my own constituency, Barnes wetlands and Kew gardens, some of which might be beneficiaries of the revised gift aid programme.

I thank the Minister for recognising that many charitable attractions use the provisions on gift aid and admissions not as a loophole, but, with the encouragement of the official guidance of the Inland Revenue, as a justified way to enhance their viability. For many small museums, including the Richmond and Kingston museums, gift aid has played a significant role, especially when local government is frequently cutting funding. With intensified competition from national museums—now free of charge—the difficulties of the smaller museums have worsened, and gift aid provision has proved a lifeline. That is why the proposed changes are of such concern.

I accept the fundamental notion that for gift aid to apply, it is right to ask for a little something extra to be provided, rather than simply having admissions converted into a donation. I accept that in principle, but I am concerned about the provisions that are intended to give effect to it. I have received from Ken Robinson, and from people on the ground, representations saying that the difficulty of explaining the need to put an extra 10 per cent. into the pot so that payment qualifies as a donation is a challenge for many small museums, particularly where the admissions person is a volunteer—someone passionate about the collection, but not necessarily able to sit down and take someone through the complex details of adopting route A or B and explaining the differences between them. That is particularly significant when there is a fairly long queue. From a practical point of view, it provides a challenge particularly for small museums, but also perhaps for the larger ones.

Rob Marris: Is it not already the case that small museums have to explain gift aid provisions? The people paying the entrance fee are taxpayers and have to fill in forms in any case; surely a different form could be given to them to fill in while they were in the long queues that the hon. Member for Rayleigh (Mr. Francois) mentioned. The punters would soon come to understand the situation.

Susan Kramer: The hon. Gentleman will know that many taxpayers frequently make donations and often understand the need to fill in forms. In other words, it is a practice with which they are familiar and accept as part of their general routine. It is not associated only with admissions but with all sorts of other things that people happen to do relating to charities. Suddenly finding that a separate set of rules applies as people go through the admissions door at the local museum is a significant additional step. This is simply a matter of practicalities. When five or six people are standing in a row to gain admission to a small museum and another crowd arrives behind them, that can be overwhelming.

If the Minister believes that the clause is efficient and will work effectively, will he agree to monitor it? If we started to see that the provisions were having an impact on small museums that were unable to realise the funding and benefits that both they and the Minister anticipate, could some intervention be made to deal with that problem? I am willing to accept the provision as a starting point, but I ask for it to be watched because the practicalities may prove more difficult than is currently envisaged.

Rob Marris: I am reflecting carefully on what the hon. Lady is saying, but it strikes me that if there is a queue, people can get their heads around what is required while they are in it; and if there is not a queue, it can be explained to them at the ticket desk.

Susan Kramer: I suggest that such provisions should be tested out with the experience of time. Hon. Members, who often enjoy discussions, sometimes overestimate the skills of the typical volunteer who helps out over the weekend at the local museum. This could prove to be an intimidating challenge in which people find themselves extensively questioned. If I am wrong, I will be happy for the provision to apply as it is, but I would like to know that the Government are prepared to watch to establish whether I am wrong.

Mr. Francois: I hear what the hon. Member for Wolverhampton, South-West (Rob Marris) says, but does the hon. Member for Richmond Park (Susan Kramer) agree that I have provided several examples from museums and charities that have direct experience, day in and day out, of how practicable some measures are? They are firmly of the view that the suggestion is not practicable. I do not know how many days some Labour Members have spent working as charity volunteers in museums, but I do think that the museums know what they are talking about.

4.15 pm

Susan Kramer: I thank the hon. Gentleman for saying that, because I believe that those on the ground are usually better than those of us who preach at telling what the realities are.

I support amendment No. 35. I have talked to people from several institutions, and as the hon. Member for Rayleigh (Mr. Francois) has said, the one-year membership is at the core of their funding and of their whole strategy of communicating with and marketing themselves to the community that they seek to serve. That is an important community and an important role.

As I understand it—if I am wrong, I shall be grateful if the Minister corrects me—if the price of a one-year membership exceeds the price of a single admission, charities will lose out substantially if they adopt the programme, unless they can provide some sort of extraordinary differentiation between a one-year membership under the donation and a one-year membership under their current structure. In fact, I cannot see how anybody, even a Member of Parliament—certainly I am struggling with the idea—could try to explain the difference to people applying for membership or coming into the museum or other attraction.

Rob Marris: The hon. Lady may find that extraordinary, but I find her proposition extraordinary.

For example, I am a member of the friends of the Grand theatre in Wolverhampton—although that is not a charity in exactly the same sense—and like lots of other people I get additional benefits, besides admission, from my membership. We are talking about charities, so the financial transactions should be viewed not in purely capitalist terms, but in terms of supporting an organisation, its ethos and what it is trying to do. This is not simply a question of admission; for example, people get newsletters from the National Trust and other such organisations.

Susan Kramer: We shall have to agree to disagree, because I think that there will be a significant impact on the income of organisations such as the National Trust and English Heritage—an impact that will be a loss to the nation.

Chris Bryant (Rhondda) (Lab) *rose—*

Susan Kramer: I think that we have gone round this subject long enough.

It is entirely appropriate to ask an attraction to offer something more than simple admission to justify gift aid, but it seems unacceptable to set the hurdle much higher than that. The opportunity to differentiate between an annual membership with add-ons and one without is pushing the limits of the system too far, and I suspect it is not what was intended. I ask the Government seriously to consider reducing the period from 12 months to three; indeed, there is an argument for reducing it to one month. Somebody could pay the price of a single admission and then be able to go back again and again over the period of the membership. For museums that change their displays—places that people enjoy going back to—it would be extraordinarily unfair if people could pay the admission charge and go in once while those who paid the same amount categorised as an annual membership could go back 10 or 12 times. For places that people visit only once in a while, that is probably reasonable, but for places that know that people will take advantage and come back over and over again, it strikes me as insane to say that a single visit must cost the same.

Chris Bryant: I wonder whether the hon. Lady's argument is accurate. The national museum of Welsh life just outside Cardiff is a fine institution, and it is free now, because the policy of the Welsh Assembly and of this Government has been to try to make all national galleries and museums free. Many people argued that museums would suffer from not getting admission charges, but I go to that museum several times a year—certainly every time friends come to visit—and it probably makes far more money out of me now, because I go four or five times a year. I wonder whether the precise arithmetic is as the hon. Lady would have us believe. Sometimes, because people have free admission across a year, they go to the museum or gallery more often, including the bookshop or coffee shop, and spend more money. If the gallery or museum is not short-sighted, it may end up earning more money rather than less from that.

Susan Kramer: That is a risk that most small museums could not take. Museums funded by the Government can perhaps take the risk that visitors would spend money in other ways, because their core funding is essentially secure. However, I am talking about admissions that are essentially core funding for many small charitable institutions. If that is put at risk because annual memberships are no longer possible—because they would cost the same as a single admission—we will threaten the viability of those museums. Many are already under pressure.

The industry has argued its case effectively, with more than one hon. Member, and the Government should consider its point. If the Government are willing to do so, there will be no need to divide the Committee, but if they are not willing to take a second look, we should divide to try to protect that core funding.

John Bercow (Buckingham) (Con): Given the hon. Lady's desire that the period of the right of admission should be reduced to three months, which is consistent with the argument of my hon. Friend the Member for Rayleigh (Mr. Francois), or even to one month, does she think that that three-month or one-month period should be at any time during a 12-month period, or is she concerned that it should not be at a period of maximum interest, such as August or another time of extended school holiday?

Susan Kramer: I take the hon. Gentleman's point. The one-month period would provide more protection from someone who tried to target their visits on the most interesting season or a time when they were likely to come back on multiple occasions for the price of a single admission. One month would provide better protection than three months.

Mr. Francois: I thank the hon. Lady for her courtesy in giving way again. There is no separate Liberal Democrat amendment on this clause, so can she confirm—for the avoidance of doubt—that if we decide to press amendment No. 35 to a division, if the Government make no concessions, we will enjoy the support of the Liberal Democrats?

Susan Kramer: I can confirm that that would be the case—*[Interruption.]* Well, it is progressive.

Helen Goodman (Bishop Auckland) (Lab): Is the hon. Lady saying that she supports amendment No. 1 about "an accompanying group of no more than twenty individuals"? If so, can she explain why that will not mean that top-rate taxpayers collect together basic-rate or non-taxpayers to exploit another loophole?

Susan Kramer: Most of the top-rate taxpayers I have met would be unlikely to spend the energy to find sufficient friends and neighbours to visit on that single occasion. I agree with the hon. Member for Wimbledon (Stephen Hammond) that the issue is more likely to be a couple of parents bringing a group of youngsters along for a birthday party or special treat in the holidays. We should do everything we can to get youngsters into our museums and attractions so that they are much more aware of the whole community around them, especially the arts and sciences and our various botanical gardens.

Chris Bryant: Surely the point is that the provisions are about financial dependants, and that cannot be

[Chris Bryant]

extended to any 20 people one may choose to gather and call members of one's family, unless one is able to prove that they are financial dependants. That would drive a coach and horses through the finance legislation.

Susan Kramer: My interest is in trying to draw up a provision that will encourage people to bring in youngsters, which frequently means a group of youngsters, wherever possible. If there were something in the provision that did that, I should be entirely satisfied that the clause contained all that I wanted to achieve.

Finally, on amendment No. 36, although I do not pretend to understand the difference between an interactive project and an interactive experiment, we can probably all understand the sense of those words. An interactive approach is being adopted at more and more charitable attractions to engage youngsters. For example, at the Barnes wetlands project in my constituency, and indeed my neighbourhood, an attraction is being set up where youngsters can become engaged through climbing, guessing, touching and drawing to work through issues relating to wetlands, such as climate change and its impact on ecology. Such strategies are being used to draw young people to various attractions. That is important, so there can be nothing disadvantageous in adding the amendment; it can be only advantageous.

Chris Bryant: The hon. Lady is making an important point about the variety of places where we might want to encourage such activity. However, I do not understand why the amendment is necessary; none of the examples advanced so far, including the one that she has just given, cannot be met by some other part of subsection (5G), which refers to "grounds, or other land" used

"by a charity in pursuance of its charitable purposes".

The amendment may be a nice thing, but it is completely redundant—a bit like the Lib Dems I suppose.

Susan Kramer: The hon. Gentleman gives me the opportunity to say that the direction shown by the amendment is one for which there is an increasing interest and following. I can see no harm in adding those words. There is nothing in their scope of which the hon. Gentleman would not approve and that he could not support. It at least adds clarity, which is helpful on these occasions.

I am not quite sure how one draws these things to a close but I have reached the end of my speech.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I have only one short point to make, but first I declare an interest as a member of the National Trust and a proud member of Beamish, which is a marvellous museum in County Durham.

As has already been said, small museums, as well as private and specialist museums, which often have charitable status, have to compete with the state's museums, which are free—although I completely support that. However, that situation affects museums such as Beamish, which is quite a large organisation.

As the Financial Secretary knows, the practice has developed over the past three or four years of paying gift aid with membership subscriptions. The hon. Member for Rayleigh (Mr. Francois) referred to that in his introduction. People standing in the queue eating their ice creams at Beamish, or at the ticket desk, get leaflets about gift aid so they know about it already. When the Government are considering the small print, I urge them to make it clear that we are not worsening the current position but that the measure merely establishes in law rights that are currently applied. I hope that we can mount a campaign on that.

I understand why the Opposition are raising those points, because various museum groups have also raised them, but the important thing is that the Government respond to what is happening and maintain the situation. We must get that message across. I ask the Financial Secretary to be generous in considering some of the suggestions. The suggestion made by the hon. Member for Wimbledon (Stephen Hammond) was a good try, but it would create so many anomalies in our tax legislation that it cannot be a runner.

I do not know whether the period should be 12 months, three months or one month, but I rather suspect that, whatever the provision, it will be theoretical. Museums are ingenious and they can usually find ways of getting round the regulations that we establish. One of the ways of doing that—it is quite legal—is to give an annual member privileges that someone who is a member for a day or three months does not have. For example, an annual member may be able to get the kids in a bit cheaper. There are ways in which the institutions can respond to the points that have been made.

I am not absolutely stuck on the 12-month rule, but I think that it is fairly reasonable. Although the points made by the Opposition sound reasonable, they would not apply to most museums. If one joins the Beamish, it is a 12-month deal. Most people visit once a year, but I recognise that some go more frequently. However, the revenue for gift aid comes from those who go once a year.

I hope that the Minister will be generous in his response and make it clear to museums that there will be no worsening of conditions.

4.30 pm

Mr. Philip Dunne (Ludlow) (Con): I support amendments Nos. 36 and 1. In common with many other Members, I declare an interest as a member of the National Trust—I am a life member—and I am expecting to become a trustee of the Ludlow Town Walls trust. I am also a member of the Hereford Cathedral Perpetual Trust.

I support the remarks of my hon. Friend the Member for Rayleigh (Mr. Francois) on amendment No. 36, but ask the Minister for clarification in relation to one of my interests. That may not be good form, but I shall ask the question anyway because the position is not clear. Under the proposed new paragraphs (e) and (f) to section (5G) of the Finance Act 1990, I wonder whether the world-renowned Mappa Mundi and its associated chained library that reside in Hereford in a purpose-built building constructed by the perpetual trust a few

years ago qualify as either "works of art" or "artefacts". If not, I am sure that the trust would establish an interactive educational exhibition to ensure that they qualify if our amendment is accepted. I should point out that the constituency of Ludlow is in the diocese of Hereford, so I am not interfering in neighbouring Members' affairs.

Amendment No. 1, which was tabled by my hon. Friend the Member for Wimbledon (Stephen Hammond), is eminently sensible. The leaders of many of the groups that visit museums pay the admission fees on behalf of the group as a whole. It would be quite wrong if groups could not benefit museums by being able to take advantage of the gift aid provision. I should perhaps also declare that I am a member of Ludlow Civic Society and the Leintwardine history group, both of which organise group visits to areas of historic interest.

Helen Goodman: We have heard much about queues in the debate, but how would this amendment stop people—some would be top-rate taxpayers; others would not—going along a queue and saying that they were all part of a group?

Mr. Dunne: To answer on behalf of my hon. Friend the Member for Wimbledon, I think that the word "accompany" is useful in assisting the hon. Lady with her point. A group leader pays on behalf of all its members precisely to avoid the need for up to 20 other people to form part of the queue. That is very sensible.

I also wish to refer to the Broseley Conservative Association, because I am particularly familiar with its activities. It runs biannual coach outings to places of historic interest outside the Ludlow constituency and around the country. It is led by the remarkable Mrs. Yvonne Miles, who is a particular favourite of mine as she helped me in my recent campaign. She collects on the coach the subscriptions for her members before they enter a place of interest, and it is precisely to enable people such as Mrs. Miles to maximise the take for the museum or other site that they are visiting that the amendment should be supported.

Chris Bryant: It is important for us to consider the amendments in the context of the dramatic expansion of the number of museums and galleries in this country over the past few years and, for that matter, of attendance at museums and galleries. The fact that the sector has increased significantly has partly been a direct result of additional funding from national Government, from the lottery, especially, and from local government, although that element is often forgotten. Most smaller galleries and museums such as those cited by hon. Members today subsist by virtue of the support that they receive from local government. It is a source of pride in my constituency that the Rhondda heritage park museum has received significant support over the years from the local authority. In the near future, I hope that there will be the opportunity to refurbish the museum completely so that it can meet the needs of the 21st century.

Adam Afriyie (Windsor) (Con): It is clear from listening to the debate and the contribution that I made last time round that this is quite a complicated area. There are thousands, or perhaps even hundreds of thousands, of charities throughout the UK, many of which are in the Windsor constituency. May I ask the hon. Gentleman—or the Minister, in effect—how much, if any, quantitative research has been undertaken to establish which charities in the mix will be affected the change? We hear lots of words such as "many" and "some of these", and hon. Members have cited specific examples from their constituencies, but is the measure based on quantitative research, and will that be considered during our deliberations?

Chris Bryant: The hon. Gentleman is really putting a question to the Minister, not me. As he was speaking, a picture of the Queen paying admission to go into Windsor castle was going through my mind. However, she is not a top-rate taxpayer, so perhaps gift aid donations would not be relevant—I do not know whether she signs the form.

The hon. Gentleman, like all hon. Members, will know that the number of galleries has expanded, so there is now considerable competition for attendance in the gallery sector. One is often better off if there are two or three galleries in an area because they are able to promote the area and many people will choose to visit several galleries in a day, rather than just one at a time.

I urge people who work in the gallery industry to be open to possible changes to the system because that is likely to be in their interests. As I said to the hon. Member for Richmond Park (Susan Kramer), I do not accept the argument that if galleries give free admission for a year, it automatically means that they will mathematically lose the full cost of any visits that might have occurred during that year. It is free for me to go to the National Gallery and the National Portrait Gallery. I can now also go to the Victoria and Albert for free—it used to charge admission, but thanks to this Government it no longer does. The fact that it is free means that I visit it more regularly and thus use the bookshop more, drink more cups of tea and eat more chunks of cake there. Many galleries have found that such auxiliary services are not only a good way of making money, but often an important part of the educational and charitable purposes that they want to pursue.

John Bercow: Will the hon. Gentleman give way?

Chris Bryant: I will give way—

John Bercow *rose*—

Chris Bryant: I have not given way quite yet. I will give way to the hon. Gentleman now.

John Bercow: I am grateful to the hon. Gentleman for determining the precise point at which the giving way takes place. It is always a joy—a titillating delight, no less—to listen to him. However, although obviously he is central to his own world, he is not necessarily central to the world. Further to the inquiry made by my hon. Friend the Member for Windsor (Adam Afriyie), can the hon. Gentleman extrapolate beyond his example and say what evidence he has that what he is advancing,

[John Bercow]

which is perfectly valid in theory, is true in practice? What is the additional spend in cafeterias, bookshops and so on in the examples that he is describing?

Chris Bryant: The Victoria and Albert Museum used to describe itself as a great caff with a museum attached. I do not have the precise figures to hand, but the hon. Gentleman is usually a more encyclopaedic resource than I on such matters—I see that with flattery, he does smile.

I was, of course, trying to scrutinise the amendment, and it was in the interests of scrutiny that I made the point about the pure mathematical equation. Free admission to a gallery for a year does not mean that the gallery automatically loses four £3.50s. I would have thought that if a gallery had a database of people who had become members for a year, it would want to use it to entice them back into the museum as often as possible during that year so that they bought books and used other services.

Mr. Nigel Dodds (Belfast, North) (DUP): I am following the hon. Gentleman's argument with interest. He refers to museums like the Victoria and Albert and other great national museums, but they have the advantage of size, which means that people have to return a number of times to see them in their totality. They also have the advantage of changing exhibitions because they bring in new attractions on a regular basis. Those considerations do not apply to small private museums and galleries.

Chris Bryant: I am not sure that the hon. Gentleman is right in his final assertion that smaller museums and galleries do not change their exhibitions. A small gallery often changes what it exhibits because it does not have the space to exhibit all the material it has. Exhibits at the National Portrait Gallery and the National Gallery barely change because nearly everything they own is up on the walls, whereas that is not true for other galleries, such as the Tate. The important point is that we are talking not about national museums, but about museums such as the Rhondda heritage park, which does not receive national Government funding. In fact, it is in competition with Big Pit, another mining museum in south Wales, which receives money directly from the National Assembly and has free entrance. There is a specific need to help such museums and galleries.

Mr. Dunne: I have another interest to declare in that I am a director of a bookshop, and I hope that I can help the hon. Gentleman in dealing with his point on national museums. The company that I am involved in operates the concession in the Science museum. When admission fees were abolished, the bookshop's revenue increased, I am delighted to say. In the interests of commercial sensitivity, I shall not reveal by how much it increased for fear of prejudicing our negotiations on renewal. I can assure him, however, that it went up not by a multiple of sales, but by a percentage of sales considerably less than 50 per cent. There is an improvement in the other commercial add-on opportunities for museums, but it is not of the order of magnitude that he suggests.

Chris Bryant: I am grateful to the hon. Gentleman for correcting that. I was merely trying to argue against the idea advanced by the hon. Member for Richmond Park, who said that there was a mathematical equation to show the loss of income across the year. Clearly, it is different from that. One thing that we have seen over the past 10 to 15 years is that many museums and galleries have tried to maximise their opportunities.

I was a bit depressed when everyone else declared an interest and I had no museum or gallery of which I was a member and for which I could declare an interest, but I realise that I can now declare one. The only museum that still sells my biography of my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) is the Theatre museum—

The First Deputy Chairman: Order. The debate is stretching wide of the amendments.

Chris Bryant: I take the admonition, Mrs. Heal.

Gordon Banks (Ochil and South Perthshire) (Lab): To pick up on the point made by the hon. Member for Ludlow (Mr. Dunne) about the increased sales in the bookshop, if other services that support that main exhibit increase by the same significant amount, the overall effect is positive.

Chris Bryant: Absolutely. I agree wholeheartedly.

My second point is that the other significant expansion over the past few years is in gift aid. The Government should be congratulated on the way in which they seized hold of what was originally a Conservative idea and made it their own. They have expanded the scheme and made it possible not only for people with significant incomes who make significant charitable donations every year to give that bit extra through the tax system, but for many millions of people throughout the country to do the same. It will be beneficial for many museums and galleries that, after their initial hesitation, the Government have now accepted that and are effectively legitimising it.

4.45 pm

Turning to amendment No. 36, as I told the hon. Member for Richmond Park, many museums and galleries have excellent interactive exhibits, which harness young people's desire to learn through play, experimentation and problem solving. However, that does not make the amendment a necessary measure, nor is there a mischief in the Bill that it would correct. Every single example instanced by hon. Members is covered by proposed new section (5G), which is satisfied if any charity

"in pursuance of its charitable purposes"

holds buildings, grounds or other land, plants, animals, work of art, artefacts and property of a scientific nature. The Mappa Mundi was mentioned earlier, but the way in which people have tried to exploit it means that it is not usually to be found in the annals of good financial practice, given that the deanery and the cathedral got into trouble financially. The Mappa Mundi is clearly kept in a building. The cathedral is trying to pursue its charitable purposes, and the Mappa Mundi is a work of art or an artefact—in fact, it is probably both—so it would be covered by the clause. There is therefore no need for greater clarity. Indeed, sometimes when we

insert too much clarity into a Bill, provisions are narrowed, creating problems for some organisations. I accept that there are many interactive galleries and museums, but they are already covered by the Bill.

Mr. Dunne: The Mappa Mundi has featured prominently in our debate. It is a map, and maps are not necessarily categorised as works as art. The chained library primarily contains books, which are not necessarily works of art. It is therefore not clear that the terms "artefacts" and "works of art" are sufficient, which is why I asked the Minister for clarity.

The First Deputy Chairman: Order. I urge all hon. Members to concentrate on the amendments. We are straying wide of this group of amendments.

Chris Bryant: I am grateful for your admonition, Mrs. Heal.

The Mappa Mundi has been made by man, and is therefore an artefact.

John Bercow: Will the hon. Gentleman give way?

Chris Bryant: I was going to move on to the next amendment, but I shall give way to the hon. Member for Buckingham (John Bercow).

John Bercow: We all want the hon. Gentleman to move on, but we also want clarity, if not too much of it.

The hon. Gentleman objected to amendment No. 36 on the grounds that it did not remedy a mischief. His exegesis of the unamended clause is of interest, but it is not conclusive. Does he not accept that it would be helpful if the Minister made it clear that the existing unamended clause is intended to embrace the terms of amendment No. 36? Failing that, we are justified in pursuing a belt-and-braces approach.

Chris Bryant: If the hon. Gentleman had not intervened, we would hear the ministerial reply rather sooner. I am grateful to him, however, for taking us round that hermeneutical circle.

As I said earlier, amendment No. 1, which was tabled by the hon. Member for Wimbledon (Stephen Hammond), is problematic. It might be nice for the local Conservative association to gather its fees and present them to a gallery or a museum. They could, however, present that money as a gift aid cheque. In fact, if the association members raised some extra money on the bus, they could be even more generous by filling in a form and providing substantial amounts to the gallery or museum in question. I am not sure whether that is a very good argument in favour of the amendment, but the fundamental point is that it would be difficult to extend the benefits to all the other 20 people throughout the whole year. We should reject the amendment and stick with the Government's proposal, as there should be a degree of financial dependency among the group of people as they are constituted.

Stephen Hammond: Does the hon. Gentleman object to the principle of amendment No. 1 or the number to which it refers? If he objects to the principle, why does he disagree with the industry's leading practitioners, including the Law Society and its tax law committee?

Chris Bryant: It is the principle that I object to, not the number. As the hon. Gentleman said earlier when he confessed the weakness of his own argument, the number is entirely arbitrary; it could be six, 20, 50 or 100, and he has chosen 20. My argument is that there should be a degree of financial dependency, as would be found in a family. That is why we should reject his amendment and stick with what the Government propose.

Rob Marris: I agree with my hon. Friend the Member for Rhondda (Chris Bryant) that there is a question of principle on amendment No. 1. There is also an issue of practicality. The amendment refers to

"an accompanying group of no more than twenty individuals".

The paying person produces a total of 21, but my understanding of proposed new section (51) to the Finance Act 1990 is that all 21 people, of whatever age—they will often include children—would have the right of admission for a year.

That seems to contradict hon. Members who have argued that one year is too long. On one hand, it is said that one year is too long and people should not have free membership for a year, but we can apparently still pile in 20 people with what is effectively free membership, as it is being characterised, or certainly the right to free admission. Will the hon. Member for Wimbledon (Stephen Hammond) explain that contradiction and tell us whether he supports amendment No. 35?

Stephen Hammond: As I said earlier, I support amendment No. 35. There is no contradiction at all.

Rob Marris: It is helpful to know that the hon. Gentleman continues to support amendment No. 35, despite my exegesis, as the hon. Member for Buckingham (John Bercow) would call it, on the contradiction.

I have already referred in interventions to amendment No. 36, whose wording is problematic. I shall be interested to hear the Minister's comments, but I think that the word "experiments" is problematic. Museums and similar places have many exhibits that, are interactive, but that are not in the nature of experiments. As my hon. Friend the Member for Rhondda sagely pointed out, if the wording is too narrow, institutions could fall foul of it that would not do so if the provisions were left slightly broader. If amendment No. 36 were agreed to, an institution offering interactive exhibits that are not in the nature of experiments would be excluded, even though it might not otherwise have been excluded. I urge caution in that regard.

John Bercow: The hon. Gentleman is a magnificent anorak—he is even more pedantic than I am in such matters. He has made a thought-provoking point, and I put it to him that, although the interactivity of itself might not be experimental, a child's decision and choice to participate in it probably is.

Rob Marris: The hon. Gentleman has made my point for me—it is difficult to interpret tax legislation in terms of who is the user of an exhibit. If he were playing with

[Rob Marris]

the machine with flashing lights, it might not be an experiment, but if his son Oliver were playing with such an instrument, it might be an experiment, given the young lad's age.

I shall be interested to hear what the Economic Secretary has to say about amendment No. 35. Some hon. Members have been pessimistic in assessing the effect of the one-year admission rule, which amendment No. 35 would change. The excellent Wolverhampton art gallery, of which I am not a member because it is free, has a tea shop, the kind of facility to which my hon. Friend the Member for Rhondda referred. Lots of people who go to the tea shop just to drink tea end up catching an exhibition. The example is anecdotal, but since the tea shop has been expanded in the past few years, footfall must have increased since the abolition of entry charges to museums.

Many museums in England, Wales and, I suspect, Scotland—this is possibly true in Northern Ireland—are expanding their provision of tea shops because they are experiencing greater footfall with free admissions. Footfall increased following the introduction of the 12-month right of admission in the great public museums and art galleries that have become free under this Government, and footfall might similarly increase in small museums, such as the Gainsborough museum in Sudbury to which the hon. Member for Rayleigh (Mr. Francois) referred.

The 12-month right of admission might allow small museums that already get some repeat business to increase that business and benefit from spin-offs on commercial sales and increased interest in the museum and its offerings. Charities should try to increase footfall to enable more people to enjoy and learn, which is their purpose. If a museum were creative, the 12-month restriction could assist it by allowing it to say to people, "You are now an honorary class 2 member. Come here more often, drink more cups of tea and bring other people with you."

Amendment No. 35 attempts to address a problem that may not exist, whereas the current wording in the Bill could provide small museums and art galleries with an opportunity to increase visitor numbers.

The Economic Secretary to the Treasury (Mr. Ivan Lewis): When I was appointed Minister with responsibility for adult skills in the Department for Education and Skills, many people said that my challenge was to make that post sexy. Having listened to this afternoon's debate, I am not sure whether this challenge exceeds that one.

I thank the hon. Member for Rayleigh (Mr. Francois) for his kind words about my new post. I enjoyed jousting with him on the Higher Education Act 2004 and I am sure that he will shadow me in a reasonably dignified way. *[Laughter.]* I nearly said that I look forward to the months and years ahead, but I will settle for the months ahead.

This is my maiden Finance Bill speech, which, as I understand it, Mrs. Heal, means no interventions, a polite hearing from hon. Members and a discussion of the wonders of my constituency. Hon. Members' contributions covered an astonishing range of interests. I declare an interest as president of the Manchester City football club in the community scheme, by which admission to the trophy room has been entirely free for the past 29 years.

I congratulate the hon. Member for Wimbledon (Stephen Hammond), because, as one will find if one studies *Hansard* closely, all the Tory amendments tabled for this debate come from his contribution on Second Reading. On that basis, he could well be yet another Conservative party leadership candidate. Indeed, when he referred to Nelson's ménage à trois, I wondered whether that was a potential solution to the difficulties facing the Tories as they choose their leader.

5 pm

The hon. Member for Richmond Park (Susan Kramer) made an important contribution. She said—this comment will be very familiar to all hon. Members in relation to the Liberal Democrats—that those on the ground always know best. That depends on which ground it is. The hon. Member for Buckingham (John Bercow) observed from a sedentary position that the Liberals back the Tories, but that would depend on which part of the country we were talking about, as well as which Tories.

My hon. Friend the Member for Rhondda (Chris Bryant) kindly took it upon himself to answer questions on my behalf—at one stage, I thought that he was looking to swap positions with me. I am sure that I can have a word with the Chancellor of the Exchequer to see what we can do, but not just yet; perhaps I could be given a few months in the job.

My hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) asked how the Government will consider the proposal's impact on charities. To demonstrate how much confidence my advisers have in my ability to handle this debate, I have the answer here. It reads: "The Government has no wish to overburden charities. We are happy to monitor the effect of these changes over time." I hope that that reassures my hon. Friend. He is right to say that, whenever we introduce any new regulations or legislation in this House we must, as a matter of course, review its impact and ensure that it does not make the situation worse.

The hon. Member for Ludlow (Mr. Dunne), who has so many interests that I wonder how he can cope with the burdens of doing this job—he said that he is now the director of a bookshop, as well, and is obviously a very busy man—made a reasonable point about the Mappa Mundi. I was delighted that my hon. Friend the Member for Rhondda—my shadow Minister, so to speak—was able to explain what that is, because I did not have a clue. On a serious note, the hon. Member for Ludlow raised an important issue. I will write to him about it, because I do not want to give him and his constituents a trite answer that may prove to be not entirely accurate.

The hon. Member for Rayleigh made one or two comments that I did not completely agree with. He said that, during his conversations with various stakeholder groups involved in this debate, they described my hon. Friend the Financial Secretary as a reasonable man. I am not sure to whom he has been speaking. He said that they were anxious not to be caught up in party political fighting and read out an e-mail from the person concerned.

On the whole, people have attempted to make a sensible contribution to the debate, bearing it in mind that these issues have an impact in the real world on charitable organisations that are doing an excellent job, as well as on those who wish to patronise them and to contribute significantly to charity. There is complete unity among Members on both sides of the Committee that the voluntary sector is an incredibly important part of the kind of society that we want to encourage. People making contributions to charity is in the finest traditions of this country, and gift aid—I give credit to the former Prime Minister who introduced it when he was Chancellor of the Exchequer—has been a particularly innovative and imaginative way of supporting and encouraging charitable giving. I was slightly bemused when the hon. Member for Rayleigh referred to difficulties with the playing field for publicly funded galleries and museums. There was no problem with a level playing field under the Tory Government because there was no question of free admission to museums and galleries. The Government should be incredibly proud of introducing free admission.

Adam Afriyie: Will the Economic Secretary tell us about the research and the facts and figures that he used to analyse the clause's effect on the various museums throughout the country? Instead of the assertions and individual points that have been made today, I should like know what quantitative analysis has been conducted.

Mr. Lewis: My hon. Friend the Financial Secretary was described as reasonable for the way in which he dealt with the consultations. A significant period of re-evaluating and analysing the provision that we wanted to introduce has taken place to ensure that it did not have unintended consequences. I want to cite some expert and relevant stakeholders. According to my briefing, Sam Mullins is chairman of the Association of Independent Museums, although the hon. Member for Rayleigh had a different person fulfilling that role. Perhaps we need to check. However, Sam Mullins is a world expert on such matters. He said:

"The need to attract an additional donation of 10% will be a challenge. But one advantage is that it gives us the opportunity to communicate our educational and charitable objectives to visitors. We look forward to working with Government to promote public awareness and buy-in to the concept of Gift Aid."

Equally important, Mark Taylor, who, according to my briefing, remains the director of the Museums Association, stated:

"To its credit, the Treasury has listened, and is not only modifying its original plan, but also giving museums an extra year to prepare".

That is a direct answer to the hon. Member for Rayleigh. A significant amount of evidence suggests that we have listened, consulted and taken seriously the concerns that people expressed.

It is important to put clause 11 in context. The exemption of rights of admission as a benefit was first granted in the Finance Act 1989 in relation to charitable deeds of covenant and was applied to gift aid as part of the 2000 reforms. As many hon. Members have said, the exemption applied only to specific heritage and conservation charities.

Some unintended consequences of the changes to gift aid donations have come to light. The clause tries to maintain the original objectives of generating new and additional giving and increase the range of charities that might benefit from the exemption while closing down the unintended consequences. The hon. Member for Rayleigh was fair enough to acknowledge that the consequences of the provision would be to increase the overall number of charities that benefit from the exemptions.

Mr. Dunne: Will the Economic Secretary quantify how many charities are likely to be affected positively or negatively by the proposals?

Mr. Lewis: I cannot do that now, but I shall write to the hon. Gentleman. We will have a comprehensive list of the charities that are known to us but we will not know of every single charity in the country. However, we know from consultation that the scope of the Bill covers a far larger number of charitable organisations than would be supported through sustaining the status quo. Although the hon. Member for Rayleigh tabled amendments on specific aspects, the thrust of the Opposition contribution has been to question the principle of the changes. Without clause 11, the additional charitable organisations would not be in a position to benefit.

Mr. Francois: Before the Economic Secretary writes his letter in response to the reasonable question of my hon. Friend the Member for Ludlow (Mr. Dunne), will he confirm that the Treasury's regulatory impact assessment admits that it does not know how many charities will be affected?

Mr. Lewis: I just said that. I said that it is impossible to know the exact number of charities that are affected. However, my hon. Friend the reasonable man, who was described as reasonable because of his handling of the consultation, sat down with the stakeholder organisations and assessed the impact. We did not do it simply as a paper exercise or conduct the regulatory impact assessment in an abstract way. We have spoken over a period to the relevant organisations and we have been assured. The scope of legislation will be extended to support a significant additional number of voluntary organisations. I do not have the precise figure to hand but I will endeavour to give the hon. Member for Ludlow as much information as I can.

Mr. Greg Knight (East Yorkshire) (Con): Many of us are interested in this important point. Rather than merely writing to my hon. Friend the Member for Ludlow (Mr. Dunne), will the Minister place a copy of his letter in the Library so that we can all see his answer?

Mr. Lewis: I welcome the right hon. Gentleman to the Chamber. Perhaps he has been in the Library reading letters that I have been writing to his colleagues. If it will help, of course I am happy to place in the Library any answer that I give to the hon. Gentleman.

I want to put the matter into context. The clause provides details of property where the right of admission will be disregarded as a benefit where a donor is given a

[Mr. Lewis]

right of admission to view that property. It is an important point that the list is not intended to be exhaustive. It is a guide to the types of property held by a charity where a right of admission to view that property will benefit from the exemption. The rights of admission must meet the other requirements of clause 11 to qualify. When I write to the hon. Member for Ludlow, it is important that we consider the other element in the issue.

It is important also that the clause makes a clear distinction between simple payments to view the property of a charity and donations to a charity demonstrating a commitment and gift beyond the simple admission price. As has been said, to be eligible the donation must be at least 10 per cent. higher than the cost of the equivalent right of admission, or secure unlimited rights of admission for 12 months during all times when the site is open to the public.

The hon. Member for Richmond Park raised the question of the practical implementation of these changes. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) pointed out that a dialogue has to take place on the implications of the proposals. It is also true that a qualitative dialogue between the charity and the individual visiting that charitable organisation is surely in the interests of that voluntary organisation.

A specific objective of gift aid is to build a sustainable and credible long-term relationship that is meaningful with the donor base. Potentially, for entrepreneurial voluntary organisations, it is a real opportunity to help them go further in terms of their original intentions in the context of the gift aid scheme. We are aware that there are practical implementations to consider. We do not seek to deny that. In the long run, once people have become used to change—we know that change is never easy—the position of charitable organisations that use the clause positively and practically could be enhanced.

It is important that I respond directly to the amendments, which were presented in a reasonable and fair way, but we are not convinced by them. I shall deal first with amendment No. 36. The list of types of property in clause 11 is not exhaustive. Where charities meet the other conditions of the clause, they will be able to use gift aid. I can confirm that the list, in terms of guidelines, will specifically include interactive experiments with an educational purpose. We can allay the fears that have been expressed about that.

Military memorabilia would also be included in the list. As I have said, the list as published is not exhaustive. The two specific examples that have been raised during the debate will be included in it.

5.15 pm

Mr. Francois: Effectively, the Minister has said that he has accepted amendment No. 36 in that the guidelines that the Treasury will produce will incorporate that, too. I thank him for that. Can he give the Committee some idea of when those guidelines will be available—at least the month in which they will appear—as those museums and charities that might be affected will want to get their hands on them as soon as possible?

Mr. Lewis: They will appear as soon as possible, when we can sit down with those affected and make sure that we get the list right. The point is that the list was never intended to be exhaustive.

Amendment No. 35, which would reduce the 12-month period to three months by allowing gift aid to apply when the right of admission is granted for only three months, would diminish the distinction between paying an admission charge and making a gift that generates an ongoing relationship between the donor and the charity—the point that I was making earlier. That undermines an important principle of gift aid, which is about additional giving or additionality. Furthermore, a short period might encourage charities to manipulate the scheme when they think that it is unlikely that visitors will come back within such a three-month period: they could offer a three-month season ticket for a donation equivalent to a single admission and ensure that gift aid applies, rather than asking for a donation that is 10 per cent. more than that admission. We believe that the principles of gift aid are very important, and that the 12-month period is about right for sustaining those principles. It is also important to mention that there is no requirement to offer annual membership for the same price as a single admission. That decision is for the charity, taking account of the relevant circumstances.

Amendment No. 1 relates to the definition of "family". With regard to the contribution from the hon. Member for Wimbledon, one must ask whether a ménage à trois would qualify as part of a definition of the term. The key point about the legislation and guidance is that it is for the charity to determine what constitutes an accompanying family. Therefore, it will be for the charity to determine whether the definition relates to a relatively small number of people or a far more significant number of people. The scenario given on Second Reading by the hon. Member for Wimbledon, I think, raised the issue of what happens when one takes one's children and their friends to visit a museum. Clearly, those friends are not part of one's immediate family. Under the legislation and guidance, which we wish to keep as flexible as possible, it is absolutely clear that it is for the charity to define the term "family". In my view, there is a danger of an unintended consequence if we refer to 20 individuals, as charities might assume that that is the norm or median. As far as I am concerned, it makes sense to leave the provision as it is, whereby the individual charity defines flexibly, in this context, the term "family".

Judy Mallaber (Amber Valley) (Lab): The National Tramway museum in my constituency, on whose behalf I have lobbied on this issue, is pleased with the way in which this matter has been dealt with. While I am happy with what my hon. Friend has just said, can he assure the Committee that we will not suddenly find regulations being put down that narrow the definition and that the provision will not suddenly be interpreted in a more restrictive way by those administering it?

Mr. Lewis: I understand entirely my hon. Friend's concern, and any regulation or guidance must be

consistent with what I have put on record in this debate during the past few minutes. I hope that that reassures her about how the provision will be applied.

Stephen Hammond: Is the Minister saying that the charity can define "family" to include anyone within a group, but not necessarily a member of the charity? That is, in fact, the thrust of the amendment.

Mr. Lewis: I did not entirely follow the question. May I ask the hon. Gentleman to intervene again?

Stephen Hammond: Is the Minister suggesting that a charity can choose to define "family" as a group accompanying the original member? If so, it seems to me that he is accepting the amendment.

Mr. Lewis: No, I am not accepting the amendment. What I said was that the definition of the term "family" in the legislation and the current guidance, which will not be changed, is basically a matter for the individual charity. We believe that maintaining the status quo is in the best interests of what we are trying to achieve, and that accepting the amendment would lead to a more confusing and ambiguous situation for charitable organisations. Having made those points, I call on the hon. Member for Rayleigh to withdraw amendment No. 36.

Mr. Francois: I think that I can genuinely say that this has been an informative debate and I thank all who have contributed. I noticed that we kept the Officials' Box rather busy, and I think we can all take that as a backhanded compliment.

The Minister admitted in his introductory remarks that he had been a lifelong Manchester City supporter, so his courage is not in doubt, but he also said that he was making his maiden speech in a Finance Bill Committee. Actually, so was I, but I did not ask for quite the same mercy in the form of a lack of interventions. I think the Minister will forgive me if I put that on the record as well.

This issue was dealt with for 18 months by the hon. Member for Wentworth (John Healey), who is now Financial Secretary to the Treasury. I was slightly disappointed that he did not respond to the debate. I take it that the baton was effectively handed to the Economic Secretary in a shuffle of responsibilities. Having heard the debate, I am sure that the Economic Secretary is delighted to have been given this bonne bouche by his more senior colleague.

I listened carefully to the hon. Member for Richmond Park (Susan Kramer). I am grateful for her declaration of support for our amendment No. 35, which I am minded to press. Let me deal first, however, with amendment No. 1. My hon. Friend the Member for Wimbledon (Stephen Hammond) tabled an interesting amendment seeking to widen the qualifying definition in clause 11(5I), and made an interesting case for it. As this year is the 200th anniversary of the battle of Trafalgar, I was intrigued to hear of Lord Nelson's domestic arrangements, which my hon. Friend described at one point as a ménage à trois. Who is to say that debate on the Finance Bill must always be dry? Having heard what the Minister said, I suspect that my hon. Friend will not be minded to press his amendment at this stage. Nevertheless, he has succeeded in raising the issue in Committee and I congratulate him on that.

I also congratulate my hon. Friend the Member for Ludlow (Mr. Dunne), who gave a number of practical examples of how the clause could directly affect his constituency. He also managed to get more interest on the record than I did in my opening remarks, and I congratulate him on that as well. My hon. Friend asked a specific question about how the Mappa Mundi would be affected. I was pleased to hear that the Minister had offered to write to him directly. I hope that my hon. Friend will receive clarification that will be of value to his constituents.

With amendment No. 36, we were partly trying to tease out the Government's thinking, but we also had a serious point to make. Let me say to the hon. Members for Wolverhampton, South-West (Rob Marris) and for Rhondda (Chris Bryant), both of whom spoke, that we drafted the amendment deliberately. We did not say that it would apply only to educative interactive facilities for children, because children do not have a monopoly on being educated. Adults can often be educated too, as the House of Commons proves regularly.

Of course, as a rule of thumb, people under the age of 18 tend not to be taxpayers, so the issue is whether the institution itself can qualify. I am pleased that in his speech the Minister effectively accepted amendment No. 36 by confirming that the guidelines that the Government will issue to clarify this matter will include that category of charity. I thank him for that, but I reiterate the plea on behalf of the whole sector that we have those guidelines as soon as possible. Quite properly, and for all the reasons that we have elucidated this afternoon, many museums and charities throughout the country will want to investigate whether they can qualify. The sooner, therefore, that the Treasury and Her Majesty's Revenue and Customs produce those guidelines in hard copy, so that everybody can read them and take a view, the better.

I also paid particular attention to what the Minister said about amendment No. 35. I appreciate that his very reasonable predecessor has discussed this issue—which, as I said, dates back to December 2003—with the industry for some time. Originally, the Government were going to abolish qualifying institutions' ability to claim gift aid on admission charges. There was such a row that they retreated and came up with a modified position, on which they have also consulted. However, as we have attempted seriously to argue this afternoon, a number of institutions are still genuinely very concerned about how the clause will operate, particularly the provisions concerning the 10 per cent. additional charge and the one-year right of admission. We have tried to reduce that period to three months, so that the Government can protect revenue without charitable sectors—museums—being inappropriately affected to the point where their revenue schemes are under serious threat.

We have made the case and I am sorry to hear that the Minister was not minded to accept it. I suspect that, as a result, this issue will rumble on. The Government have offered to review the situation in 2007, as the regulatory impact assessment points out, so we may yet need to consider how the provision works in practice. I make a final plea to the Minister that between now and

[Mr. Francois]

consideration on Report in July, he goes back to those who are affected by this provision and considers the issue one last time. However, given that he has offered no concessions this afternoon, we have no option but to test the opinion of the Committee. I therefore wish to press amendment No. 35 to a vote.

The Temporary Chairman (Sir Nicholas Winterton): May I ask the hon. Gentleman what Her Majesty's Opposition intend to do about amendment No. 36? Do they wish to withdraw it?

Mr. Francois: Forgive me, Sir Nicholas—I thank you for that guidance. Because the Government have effectively accepted amendment No. 36 in the revised guidelines, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: No. 35, in page 12, line 1, leave out 'one year' and insert 'three months'—*[Mr. Francois.]*

The Committee divided: Ayes 203, Noes 290.

Division No. 9] **[5.28 pm**

AYES

Adam Afriyie
Mr. Peter Ainsworth
Mr. Ancram
Mr. Atkinson
Mr. Bacon
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Blunt
Mr. Boswell
Peter Bottomley
Mr. Brady
Mr. Brazier
Mr. Breed
James Brokenshire
Mr. Jeremy Browne
Angela Browning
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Sir Menzies Campbell
Mr. Cash
Mr. Clappison
Greg Clark
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Dunne
Mr. Ellwood
Mr. Evennett
Mr. Fallon
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Dr. Fox
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gauke
Mr. Gibb
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Chris Grayling
Damian Green
Justine Greening
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Nick Harvey
Mr. Hayes
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
John Hemming
Charles Hendry
Mr. Herbert
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Robert Key
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Mr. MacNeil
Anne Main
Mr. Maples
Mrs. May
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Osten
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mark Pritchard
Mr. Redwood
Mr. Robathan
Hugh Robertson
Mr. Rogerson
Bob Russell
Mr. Sanders
Andrew Selous
Grant Shapps
Mr. Shepherd
Sir Robert Smith
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Mr. Ian Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Peter Viggers
Mrs. Villiers
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Weir
Mr. Whittingdale
Bill Wiggin
Mr. Willetts
Hywel Williams
Mr. Roger Williams
Stephen Williams
Jenny Willott
Mr. Rob Wilson
Ann Winterton
Pete Wishart
Mr. Yeo
Sir George Young

Tellers for the Ayes:
Michael Fabricant and
Mr. David Ruffley

NOES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
Miss Begg
Sir Stuart Bell
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Blunkett
Mr. Borrow

Kevin Brennan
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byrne
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Ben Chapman
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Ann Clwyd
Mr. Coaker
Ann Coffey
Harry Cohen
Rosie Cooper
Yvette Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Mrs. Curtis-Thomas
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Doran
Jim Dowd
Mr. Drew
Mrs. Dunwoody
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Mr. Frank Field
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. George Howarth
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mr. Ingram
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Alan Johnson
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
John McDonnell
Mr. McFadden
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Mr. David Miliband
Edward Miliband
Andrew Miller
Laura Moffatt
Chris Mole
Mrs. Moon
Jessica Morden
Julie Morgan
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oiner
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Mr. Prescott
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
John Reid
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Alan Simpson
Mr. Singh
Mr. Skinner
Mr. Slaughter
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
John Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Willis
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woolas
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Noes:
Tony Cunningham and Mr. John Heppell

Question accordingly negatived.

Clause 11 ordered to stand part of the Bill.

Clause 18

SECTION 17(3): SPECIFIC POWERS

Mr. Richard Spring (West Suffolk) (Con): I beg to move amendment No. 2, page 17, line 9, at end insert—

'(i) in relation to unit trust schemes and open-ended investment companies mainly invested in interests or rights in or over land, determine the rate of corporation tax for the year 2005 and subsequent financial years to be nil, or the rate at which income tax

[Mr. Richard Spring]

at the lower rate is charged for year of assessment which begins on 6th April in the financial year concerned.

(j) include provision for unit trust schemes and open-ended investment companies to have different classes of units or shares, and to allow different distributions to be made in respect of such different classes subject always to any rules preventing discrimination between unit holders or shareholders made under section 64(2)(e).'.

The Temporary Chairman: With this it will be convenient to discuss amendment No. 3, page 17, line 21, at end insert—

'(f) make special provision for any interest or rights in or over land held by a unit trust scheme or open-ended investment company and may make special provision for withholding tax on distributions from an authorised investment fund, mainly invested in interests or rights over land, and may determine specific circumstances when such tax must be withheld.'.

Mr. Spring: The clause allows for changes to the system of taxing collective investment funds to be undertaken by regulation rather than by an Act. This morning, we had a written ministerial statement saying that the description of those regulations was being placed in the Library. If I said, "Better late than never", it would be an understated verbal act of kindness. It sounds again like a Government, and particularly a Treasury, who have two enduring characteristics—first, obsessive micro-management, and secondly, a lack of attention to detail or simple functional incompetence. All this was in the original Finance Bill and the Treasury has had plenty of time to come up with the details, but it has failed to do so in good time.

Most of the changes in clause 18 are non-controversial, but we need to get to grips with Government thinking on some underlying issues. It may be constructive and informative if I pose Ministers a series of questions, on which I shall expand, to give them the opportunity to respond appropriately. First, can the Government give us a firm timetable as to when the regulations under clause 18 will be introduced, given the massive sum of UK funds under management that will be subject to those rules?

5.45 pm

Secondly, can the Government indicate the likely benefit of the proposed changes under the clause? Can they provide a cost-benefit analysis in the light of the uncertainty and the expensive system changes that fund management houses will have to make as a consequence of the changes? Lastly, for equity, open-ended investment company and unit trusts, will the Government indicate the moneys lost by UK pension funds due to the removal of the tax credit on distributions in 1997 and to what extent they blame the reduction in savings in ISA-style vehicles on that tax raid?

On Second Reading last week, the two Liberal Democrat spokesmen went into the rather wild woods of vintage wine and property windfall taxes and clearly indicated that they wanted to examine clause 18 more fully. My hon. Friends and I and, I dare say, Members on the Treasury Bench are somewhat amazed that the Liberal Democrats felt unable, in view of what they said last week, to table any amendments to clause 18. The contrast between us and them says it all.

Rob Marris: Conversely, some of us are somewhat amazed at the number of questions that the hon. Gentleman has just asked that appear to bear no relationship whatever to the amendment. Perhaps he could sketch for the Committee the connection between the general questions he raised about clause 18, which are of course Second Reading or Third Reading matters, and the specific amendment that he is moving.

Mr. Spring: If the hon. Gentleman will be patient, I shall address the amendments specifically.

Mr. David Heath (Somerton and Frome) (LD): Perhaps the hon. Gentleman assumes that there will be no stand part debate and that my hon. Friend the Member for Eastleigh (Chris Huhne) will not be able to make exactly the points that the hon. Gentleman accuses us of not making.

Mr. Spring: I very much regret that the Liberal Democrats failed to put down any amendments, and that is that.

There is concern that without our amendment No. 2 the taxation of OEICs and unit trusts would not be parallel. OEIC tax law currently allows separate sub-funds of OEICs to be taxed as though they were separate OEICs. Given that without the amendment the taxation of OEICs and unit trusts would not be parallel, the provision amends the law to enable all authorised unit funds to have separate sub-funds, to be taxed as stand-alone funds, thus fulfilling the original intention when OEICs were introduced.

The UK fund management industry manages about £276 billion, with substantial investments by life insurance companies and pension funds. Many accounts are held in retail funds. When considering the amendments we must be mindful of the sustainability and competitiveness of the industry. The regulations that will be made under clause 18 are likely to cause the fund management industry to make changes in its systems that could be expensive and time-consuming and may outweigh the possible benefits. Simply put, the tax treatment of funds under fund management is crucial in the UK and our financial services industry must have clarity and fair treatment.

I should like to bring to the attention of the Committee the view of the Association of Investment Trust Companies on tax treatment, given that clause 18 seeks to rationalise it. I shall send more details to the Minister, if I may. In the view of the association, the Finance Bill would enhance the ability of authorised unit trusts and OEICs to invest tax efficiently in bonds. There seems to be an anomaly, however. Investment trust companies invest in shares and securities to provide a capital return for their shareholders. They allow investors to gain cost-effective access to a diversified portfolio of shares and securities and expert fund management. There seems to be a problem of equivalence in the tax treatment of AUTs, OEICs, and

ITCs. I would be grateful if the Minister could respond to that point. If we change the taxation treatment of income received by investment trusts by reducing the taxation rate from 30 to 20 per cent., there is a need to consider whether we should alter the tax treatment of dividends paid by the investment trust and received by corporate members.

Mr. Heath: On a point of order, Sir Nicholas. The hon. Gentleman does not appear to be referring to the amendments that stand in his name; he is giving a stand part speech. That makes it very difficult for Members who may wish to catch your eye later to make their points without necessarily repeating points that have already been made.

The Temporary Chairman: I am satisfied that the hon. Member for West Suffolk (Mr. Spring) is talking in a general way to the amendments that have been selected. If the hon. Member for Somerton and Frome (Mr. Heath) wishes to participate, I will be only too delighted if he catches my eye.

Mr. Spring: Thank you, Sir Nicholas.

If the Government are going to reform the taxation of all collective investment vehicles, what is the point of these regulations that will cause the fund management industry much work to alter its systems?

No tax law has yet been established for a tax regime for collective investment vehicles in property, which is at the heart of the amendments. We understand that the Government have it in mind to establish such a regime by 2006, but the exact timing is still up in the air. There is uncertainty, so we need a clear timetable for action to establish real estate investment trusts.

Clause 18 enables undertakings for elective investments in transferable securities to make distributions gross of withholding tax. That might, therefore, encourage overseas investments. This is of obvious concern to the industry and is at the heart of the amendment. It should be noted that despite several announcements by the Government saying that they will introduce tax legislation to give effect to real estate investment trusts, such legislation is not being introduced in this Bill. This is due to problems involving the current method of taxation of overseas landlords where rents payable to them are subject to a 22 per cent. withholding tax except when the landlord has the prior agreement of the Inland Revenue. The concern is that an REIT will effectively escape such tax when paying a distribution to the overseas landlord. However—this is the point—many other countries have REITs and tax regimes specifically for them.

Amendment No. 3 highlights the problems and would enable legislation to be introduced following suitable consultation. I can only repeat that there is genuine concern that the problem is causing the property fund industry to locate elsewhere than in the United Kingdom. There are now £3 billion worth of listed property trusts in Guernsey that might otherwise be in the United Kingdom. The United States has these; Japan launched them in 2001; France in 2003; Germany is considering the introduction of such a vehicle; and it would be preferable if we could introduce a regime before then.

Companies are effectively developing equivalent structures elsewhere. I understand that a major insurer established such a vehicle in Guernsey, complaining that it would have liked to have the option of establishing it as a UK vehicle. The longer it takes the UK to establish such a vehicle, the lower the tax take will be as more and more vehicles go offshore. A report that appeared in *The Times* on 10 June talked about REITs and the potential leakage later if the problem is not dealt with. It said:

> "The British Property Federation believe that they have shown the government that there will be no net tax leakage, so hence there is no cause for delay."

Essentially, the amendment invites the Government to be more specific than they have been thus far. It therefore proposes allowing REITs to be introduced. It highlights the problem and would enable legislation to be introduced following consultation.

Amendment No. 2 would enable one of the suggested solutions to be that the tax is charged at nil in the REIT with greater tax then due to arise on the investor in the REIT if it is so chargeable to tax. Most investment vehicles have to distribute the majority of their income each year and those distributions are taxable if the recipient is a UK resident. However, under tax treaties, overseas investors may avoid the tax charge altogether. I understand the problems involved in the current method of taxation of overseas landlords where rents payable to them are subject to a 22 per cent. withholding tax, except when there has been prior agreement with the Inland Revenue. However, there remains the concern that an REIT will effectively escape such a tax when paying a distribution to the overseas landlord. The genuine concern is that this issue, which is yet to be resolved, is causing the property fund industry to locate elsewhere than in the United Kingdom.

The head of indirect property investment and strategy at Merrill Lynch Investment Managers warned that if the Government did not get the tax model right, the flow of domestic UK property investment offshore would also accelerate. That point has also been made by the British Property Federation, which said that Britain could not afford to wait on the introduction of REITs. Since France has adopted the US model, it has seen the market capitalisation of 10 established quoted property companies double within 18 months. If we do not act quickly—we need reassurance from the Government on this—we will not be the international REIT centre that we should be. For 20 years, the UK commercial property market has lobbied for the introduction of REITs. The industry does not share the view that there would be tax leakage. Most overseas investors are not paying tax to the UK Government anyway and many invest through offshore structures. Money has been, and regrettably is, flowing to offshore commercial property trusts.

The US is undoubtedly the home of the REIT. Last year, it achieved an extraordinary 30.4 per cent. total return for investors and 22.5 per cent. over five years. The attraction has been the high dividend yield, which in the US is more than 5 per cent. compared with less than 2 per cent. for equities. I say that because in an era of low yields from investments pretty much all the way round the world, it is difficult for those who want investment income to achieve a return. Through the amendment, I ask the Minister to consider what has happened in the US since the establishment of its Act in 1960. Companies that operate as REITs pay no tax on corporate income and, in order to get that tax break, REITs must pay out at least 90 per cent. of every dollar

[Mr. Spring]

in income to shareholders in the form of a dividend and companies can pass on the tax savings from the dividend deduction to shareholders, making REITs an attractive investment.

In the Government's discussions on this and other tax regimes, we will need to look at this issue very carefully. As I have said, REITs operate in many other countries such as Australia, Hong Kong, Singapore and France. In France, for example, foreign investors, who are always difficult to deal with for any tax authority, do not pay tax on REIT incomes if from abroad. If a 22 per cent. tax rate were introduced, the foreign investor issue would be neutralised except for those who have a particular arrangement with the Revenue, but UK pension funds, which pay no tax, would suffer. We must examine the issue particularly in the light of the competition that we face elsewhere. That is why we have tabled the amendments.

I return to the central point of my argument. We have exceptional expertise in this country in all spheres of investment and we do not want that expertise to be deployed against our economic interests. We really need to move on, and I hope that the Minister will be able to provide some comfort on the issues that I have raised.

Chris Huhne (Eastleigh) (LD) *rose—*

The Temporary Chairman: I call Mr. David Howarth—[HON. MEMBERS: "Chris Huhne."] I apologise to the hon. Member for Eastleigh (Chris Huhne). He is new to this place and some of us who have been here a long time have not yet learned all the names of new Members, for which I apologise to him and the Committee.

6 pm

Chris Huhne: Your apology was most gracious, Sir Nicholas, although there was no need for it, given the circumstances.

I was slightly surprised by the sideways glances made by the hon. Member for West Suffolk (Mr. Spring) at the Liberal Democrat Benches because they implied that he had these matters under enormous control, yet somehow we did not. I merely draw his attention to the amendment paper. Amendment No. 2, which stands in the hon. Gentleman's name, refers to a provision that is not part of the Bill: a section 64(2)(e). I can only assume that the reference was lifted straight off the hon. Gentleman's word processor from when he was examining the Finance Bill presented before the election and that he has not bothered to check that the provision still forms part of this Bill. I do not think that we Liberal Democrats need to take any lectures from the Conservative Front Bench about attention to detail. We know that the Government's majority in the House is substantial, so I hope that the Minister will be sufficiently open-minded to allow the power of argument to persuade him to revise several provisions. I shall thus spell out several worries that we have about clause 18.

Clause 18 sets out the specific powers that are to be delegated to the Treasury to shape the taxation of open-ended investment companies—so-called OEICs—and authorised unit trusts, or AUTs. The important powers will be able to have a substantial impact on the taxation of those entities. I have three key points to make to the Minister.

First, there is no obligation on the Treasury to be open or transparent when taking such substantial powers. Given the concerns of the industry, there should at least be a commitment to proceed by consultative draft regulations. Even better, the provisions should be subject to a four-year sunset clause to bring them into line with similar provisions in European legislation. The clause is entirely silent about the manner in which the Treasury should proceed, but that is frankly extraordinary given the song and dance that the Treasury rightly made about putting obligations on the European Commission and the European Securities Committee, on which it is represented, when they take decisions about financial services in directives by delegated powers. At the very least, the Treasury should proceed by draft regulations that allow the industry to comment.

I hope that the Minister will assure the Committee that the Treasury will always allow adequate time for consultation. The Treasury was sensible when it insisted that there should be a three-month period for consultation before directives made under delegated powers were adopted at the European level. Laying something before the House for 21 days does not represent a proper consultation by the standards that it has applied to the scrutiny of European legislation.

Secondly, the clause means that there is still the possibility of reintroducing double taxation of a fund designed by the Financial Services Authority as a fund under the qualified investor scheme. The loss of large tax-paying investors' tax advantages could be triggered if investors with more than 10 per cent. of stock liquidated their funds. There are obvious exceptions in the clause for nominees, pension funds and insurers, but there is a serious potential penalty on tax-paying investors in the vehicle, who might find themselves facing a tax liability through no fault of their own.

For example, any investor—institutional, individual or corporate—could liquidate holdings in a QIS fund, leaving other tax-paying investors, such as corporates or individuals, with more than 10 per cent. of the stock because the funds are open-ended, not closed-ended. The money would be drawn from the open-ended fund leaving other investors necessarily with a higher proportion of what remained. That could put off tax-paying investors because they would not be prepared to take the risk of investing in such a vehicle. The economies of scale in pooled funds would be limited and the UK would be made a less attractive base for such funds. I know of no other EU state that has anything like the measure that we are considering, so it represents an open invitation to incorporate such funds not in London or Edinburgh, but in Dublin or Luxembourg, although I am sure that that is not the intention of the Treasury or the Minister.

I understand that there might have been tax-avoidance structures that may have used funds in a way that caused concern in the Treasury, but surely that is not the case for QIS funds because, of course, they have not yet begun. However, the Bill contains no provisions to deal with other uses of funds, such as retail funds, that could have caused the original worry in the Treasury

about the possibility of tax avoidance. Furthermore, there is doubt about whether the provisions will catch people. The fund must be required to show that it is managed at arm's length from any investor to ensure that tax-avoidance provisions are effective. The investment function should thus not be influenced by any communication with the investor. That would be more appropriately enforced by a rule from the FSA than by attempting to do so in the way outlined in the clause.

On my third point, I agree with the hon. Member for West Suffolk, so I shall try not to repeat too many of his arguments. The broad principle at stake is tax neutrality. The provisions in clause 18 apply only to open-ended investment companies and authorised unit trusts. They do not apply to the main competitors to those vehicles, namely closed-end funds, or investment trusts as they are more commonly known. One result of the measure would be to widen further the tax advantages enjoyed by OEICs and AUTs compared with investment trust companies, especially when investing in bonds, which would thus distort the market. That would be bad in principle because it would poison fair consumer choice, but it would also be bad in practice because ITCs might be an objectively better vehicle for certain kinds of investments, including bonds, than unit trusts.

For example, I remember in the wake of the Asian financial crisis when there was substantial and persistent selling pressure out of unit trusts that had specialised in the affected countries, which meant that the trusts sold off the most liquid, and often the best, investments to repay their investors. That meant that the less-good investments were left for those who did not get to the door first. There are now specific provisions in the wake of 9/11 to stop a catastrophic run or loss of confidence, but far short of that eventuality, one can experience real problems, especially with investments in emerging markets. By contrast, investment trusts merely see a widening in their price discount to net asset value, which makes them a much safer vehicle when there is high volatility in the asset class, for example in emerging market bonds.

I hope that the Treasury will consider bringing forward a more radical recasting of the tax provisions to put investment trusts, OEICs and AUTs on an equal footing. In general there is a need for the UK to simplify the tax code for all those investment vehicles to ensure that there is a level playing field. I hope that the Minister will assure me that he will consider the matter again.

Mr. Spring: I apologise if I am pre-empting the hon. Gentleman. Will he deal with the subject of REITs, which is at the heart of the amendments, because I would be interested to hear the Liberal Democrats' position on that?

Chris Huhne: Both amendments are sensible and we support them. The hon. Gentleman perhaps knows from my remarks on Second Reading that I think REITs have an important role.

I ask the Minister to address those three points. The first is the proper amount of consultation, which is appropriate given what the Treasury has said in the context of European powers of a parallel nature. The second is ensuring that there is a real QIS fund that is attractive to investors because it does not put tax-paying investors at an unnecessary risk. The third is the wider issue of tax neutrality.

Mr. Brooks Newmark (Braintree) (Con): I want to touch on the impact that the current tax regime has on real estate investment trusts, which are at the heart of what we are discussing. Notwithstanding the Government's recent announcements on introducing tax legislation that gives effect to REITs, I remain concerned that it has not happened. The problem centres around the tax of overseas landlords. Although I understand that prior agreements can be and have been established with the Inland Revenue, it is the uncertainty that causes me alarm because it may drive our nascent property fund industry to other countries that have more attractive REITs and tax regimes.

There are three or four specific benefits that I want the Minister to consider. As my hon. Friend the Member for West Suffolk (Mr. Spring) said, if we do not address the problem, we will drive the REIT industry to other regimes. The industry has been extremely successful in the United States for well over a decade, but REIT managers who want to come to this country are being driven to Guernsey, Germany and other European countries with attractive tax regimes. In establishing a bone fide REIT industry, we can offer the great benefit of our successful private equity industry. As we have seen in the United States, many private equity firms have successfully established property fund managers, who in turn have established REITs.

REITs can benefit the United Kingdom economy and the Chancellor. Unless we attract people to this country and develop an attractive REIT regime, we will not increase employment in the City, which is the heart of the financial centre of Europe. It is important that we capture our talent and bring in more investors to the real estate industry as a whole and to REITs specifically. If we employ more people in that industry and, again, in REITs specifically, that will increase the tax take in terms of income tax, because more people will be employed, and in terms of the companies that are established. I ask the Minister to think about what we need to do and to consider the amendments so that we establish a successful REITs industry sooner rather than later.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I, too, support the amendments. The key issue is real estate investment trusts, as mentioned by a number of hon. Members. As we heard, the industry and experts have for some time called for the required structures to be introduced. They have emphasised the importance of enabling and facilitating investment in a REIT-type structure. The Government have made positive noises and have said the right things, but, sadly, they simply have not delivered in this area, as in so many others. If we are to be competitive and successful in establishing REITs for our savers and investors, we need a proper tax and regulatory framework to facilitate the new structures. The amendments are designed to give more certainty and to make it easier for REITs to go ahead successfully.

6.15 pm

Rob Marris: What does the hon. Lady think would happen to land values in the United Kingdom if we allowed REITs to go ahead?

Mrs. Villiers: I do not think that REITs would have a significant impact on land values. It is not easy to predict exactly what would happen, but the amendments would not cause spiralling asset prices and inflation. Indeed, I would not support them if I thought that that would be the consequence. We have to be cautious about new measures that have an impact on the property market and property prices. I am confident that the amendments would make modest changes that would allow REITs to be established with greater ease, but they would not have the inflationary effect that worries the hon. Gentleman.

Rob Marris: It was mentioned that France set up REITs in 2002—I hope the Committee forgives me if I misremember the date. Land values in France in the past three years—this may or may not be coincidental—have increased by something like 50 per cent.

Mrs. Villiers: I am not aware of the statistics, but other factors are likely to be in play. I can see no evidence for the existence of a REIT framework facilitating such an increase in land values. Many other factors could have caused that increase. We heard about the great success of REITs in the United States, where they have been used for many years. It does not seem to have a huge problem with spiralling land values.

It is important to provide ease of access to different types of investment. It is a basic investment in economic terms to encourage people to diversify their investments as much as possible. REITs have the benefit of allowing people an easier alternative to equities and are an easier way to buy into a portfolio of property because they do not have to invest everything in a single property. They have a significant value in terms of diversification of people's investments, with the consequent reduction in risk. That is one of their great values and it is why, once a proper tax and regulatory framework is in operation, I would expect REITs to go from strength to strength and to become much more common.

I said that I support some of the Government's statements on REITs, but we need changes to ensure that the tax framework becomes more certain. I hope that they will consider supporting the amendments as a route towards clarifying the tax position on REITs. Uncertainty is one of the greatest vices in terms of investment and the competitiveness of a financial centre. If one discusses tax or regulatory measures with experts down the road in the City of London, they often emphasise that clarity and certainty about the rules is, in a sense, more important than the content of the rules themselves. Uncertain rules or frameworks are one of the best ways to drive away investment, and hence erode our competitive position.

As my hon. Friend the Member for West Suffolk said, people in this country have tremendous expertise in investment and financial services. Indeed, that expertise can be narrowed down to one place—the City. My constituency is on the edge of London, and I have many constituents who work in the City. It is a great economic asset to our country and the continent, and we must ensure that it remains competitive in the important new area of real estate investment trusts. If we do not grapple with the issues, we risk losing out on that new market or growing sector, as other hon. Members have said. It is universally acknowledged that once one loses a market it is almost impossible to regain it.

Mr. Newmark: I have been thinking about the question asked by the hon. Member for Wolverhampton, South-West (Rob Marris). I know a little about REITs, although I have never invested in them myself. The hon. Gentleman was concerned about the causal effect of REITs on property prices, but there is no evidence whatsoever of property price inflation caused specifically by REITs. There is enormous price inflation in France and other European countries that do not have REITs, so there is no evidence of cause and effect. It is important to make that point clear.

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. For the benefit of new Members, may I point out that interventions are meant to be quite brief?

Mrs. Villiers: I am grateful to my hon. Friend the Member for Braintree (Mr. Newmark) for his well-informed contribution. It would be extremely useful if the Government produced some research and analysis, as we need to consider the issue, and that would assist our assessment of the Bill. I shall conclude on that point, and emphasise the fact that the amendments are simple measures that would create a great deal more tax certainty for a valuable new form of investment. They would encourage investment and savings, and they would offer considerable assistance in ensuring that our global financial centre in the City of London remains as competitive and successful as possible.

Mr. Ivan Lewis: This has been an important and interesting debate. The hon. Member for West Suffolk (Mr. Spring) began in his usual bullish way. He used the phrase "better late than never" and accused the Treasury of functional incompetence. How the Conservative Government would love to have been accused of the relative functional incompetence that the Treasury and my right hon. Friend the Chancellor have displayed under this Government! The lowest inflation, interest rates and unemployment in living memory would not be described by most objective observers as functional incompetence. As for the charge of better late than never, we are consulting industry representatives, as we want to be quite sure before we introduce regulations that we get them right.

The hon. Member for West Suffolk raised a number of perfectly reasonable issues, which I shall try to address one by one. He was understandably concerned about the fact that funds would need to rebuild all their systems from scratch. We do not accept that, as the change is built on to the existing mechanisms operated by funds. It should therefore be a case of adapting the system rather than redesigning it wholesale. He was also concerned about the major cost of system changes and the way in which the funds will benefit from them. The powers that allow us to make regulations are enabling powers, and funds can still elect to make only dividend

distributions. The changes allow funds to reduce their administration costs by offering a wider range of investments within an individual fund and to consolidate and streamline the number of funds on offer. That could lead to administrative savings for fund managers, and savings could be passed on to investors through lower fees. Fund managers will save substantial costs by no longer having to comply with the daily bond fund test. The hon. Gentleman raised the benefit for authorised investment funds. We would argue that the proposal is more attractive to investors, because more diverse investments can be offered. There would be a cost saving, and dividends and interest could be issued to reflect the nature of the funds.

I shall try to address hon. Members' concerns about the important issue of real estate investment trusts. The hon. Member for Eastleigh (Chris Huhne) was concerned about the use of secondary legislation. It is important to make it clear that clause 19 requires affirmative procedures to be followed when powers are used for the first time to introduce regulation. In those circumstances, the full detail of the measures will be scrutinised and debated by the House before they come into force. The hon. Gentleman raised the basic charging provision—the rate of tax—which is included in clause 16 and is subject to scrutiny by the House. The proposals provide for the rate of taxation to be applied to open-ended investment companies and would make that subject to primary legisiation, rather than regulation. I hope that that addresses the hon. Gentleman's concerns.

The hon. Gentleman also raised the proposal to tax substantial investors in qualified investor schemes on the annual increase in the value of their units which, he said, amounted to a double taxation charge. That is not the case. The substantial investor will calculate a capital gain at a point at which the holding rule is triggered. The gain will then be held over until he disposes of the units. Each year, he will be subject to an income tax charge on any increase in the value of the holdings. The investor will not be subject to a further capital gains tax charge on income that has already been subject to an income tax charge. There is simply no double taxation in those circumstances.

Chris Huhne: The key point is that tax-paying investors may believe that they are investing in a fund that will not lead them to have any tax liability whatsoever but will suddenly find, through the operation of another investor, that they own more than 10 per cent. of the fund, even though they never intended to do so. As a result, through no fault of their own, the liability to which the Minister referred would be triggered. That is not sensible, as tax-paying investors will steer clear of the funds and avoid them. The object of the funds—the sensible pooling of investment for a range of investors—will not be achieved. The Minister has not addressed that point.

Mr. Lewis: It is reasonable to ask us to make the consequences quite clear. I do not believe that the hon. Gentleman's concern is justified, but to prevent misunderstanding or the risk of misleading people, we must ensure that the regulations make it clear which circumstances apply. We will take note of his concerns when we make them.

The hon. Gentleman said that more fund providers would sell funds in Dublin and Luxembourg, rather than in the UK, because of the rule and the instability of the regulation. The tax regime applicable to funds authorised by the Financial Services Authority will not be changed materially. Capital gains made within the fund remain exempt from corporation tax, and fund-level profits remain subject to corporation tax at the lower rate of income tax—currently 20 per cent. The income tax treatment of investors receiving distributions from both retail funds and qualified investor schemes will not change. Nor will the capital gains treatment of those individuals, unless they, together with their associates, hold a substantial proportion of a QIS. In those cases, any annual increase in the value of their holding will be charged to tax as income each year.

Chris Huhne: I return to the key point: a very substantial group of investors will steer clear of such things. The Minister says that existing tax provisions are not materially affected, but the whole point of setting up the QIS funds is precisely to ensure, on the initiative of the FSA, that there is a vehicle by which one can have sensible pooled investment funds. That is being done precisely to ensure that there is a material change in tax treatment. Saying that a substantial number of investors will be scared off because of the liabilities that they may incur through no action of their own precisely confirms my point: the investments are going to be registered in Dublin and Luxembourg, and not in London.

6.30 pm

Mr. Lewis: I entirely reject the hon. Gentleman's contention. We believe that the United Kingdom remains a location of choice for such activities, for a variety of reasons. We do not believe that his concern about his perception of unintended consequences is legitimate, but I am sure that we will have the opportunity to discuss those matters when we look at the regulations.

I shall address REITs-related issues. Amendments Nos. 2 and 3 cover two different aspects: the taxation of authorised investment funds that invest mainly in property; and the treatment for authorised funds that have different classes of units or shares. On the second issue, amendment No. 2 seeks to insert a provision to allow authorised investment funds to have different classes of shares or units and to make different distributions in respect of them. We do not believe that the amendment is necessary. OEICs can already issue different classes of shares, and as we indicated in the Budget, regulations will be made to enable authorised unit trusts to do exactly the same. The powers taken in clause 17 enable that to happen, and clause 18 also includes a subsection to cover the point.

On the taxation of funds that invest mainly in property, amendment No. 2 seeks to enable regulations to be made that charge an authorised investment fund's property income to tax at either a nil rate of corporation tax or a rate equivalent to the lower rate of income tax. Amendment No. 3 seeks to allow special arrangements for withholding tax to be applied to distributions to investors by authorised investment funds that invest mainly in property. We believe that neither amendment is needed to enable regulations to achieve the outcome

[Mr. Lewis]

that the hon. Member for West Suffolk intends. The powers taken in clause 17(3) allow for the rewrite in regulations of the tax regime governing authorised funds.

Clause 18 was inserted in the Bill to explain how we intend to use those powers. It is simply an illustrative clause, and the industry asked us to include such a clause to reassure the House, in the absence of draft regulations, about how we intend to go about rewriting the current regime. In that respect, the purpose of the clause is to help to explain the proposed changes, not to define them.

I turn to the specifics of the proposed amendments to the treatment of property income. More broadly, partly in response to changes to the regulatory regime for authorised investment funds made by the FSA and the possible introduction of a UK real estate investment trust, the Government are considering whether changes to the taxation of property within authorised investment funds might be appropriate. As hon. Members are aware, that consideration is ongoing, although I appreciate their feeling that the matter is urgent and requires speedy action. It would therefore be premature to provide specific examples of how the taxation of property might be taken forward in this Bill or indeed anywhere until the position for UK REITs has been finalised. At this stage, it is important to talk hon. Members through the thought process and the different stages of the REIT debate.

One feature of the significant consultation exercise is the consensus that a key challenge has emerged in relation to international treaty obligations. I do not think that there is any doubt among hon. Members in all parts of the House that that is a genuine difficulty. It poses a significant challenge with regard to meeting the Government's specific objective of having no overall Exchequer cost. In the most recent Budget, the Government therefore published a further discussion paper that set out our latest thinking on UK REITs and highlighted three challenging and technical tax issues that we felt needed further discussion with the relevant parts of the industry. We made it clear at that stage that the outcome of the consultation would inform our decision on how property should be taxed in authorised unit trusts and open-ended investment companies. Those two issues will be taken forward in parallel.

We have had a number of meetings with industry working groups, particularly of tax specialists, to consider the outstanding issues that have arisen in those discussions about REITs. We have also received a number of written responses, only within the past few days. I reaffirm that, as the Budget discussion paper said, we intend to legislate in 2006, subject to our capacity to find a workable solution to the issues that have been raised. I reaffirm that that is the Government's intention.

Mr. Spring: That issue is at the heart of the amendments, and I simply do not understand the following point. The Minister is engaged in the consultation process, and three specific elements are still to be considered. The Government have promised legislation in 2006, but there are legitimate fears in the industry that action is not being taken rapidly enough and that the Exchequer is losing out in consequence. This process has been going on for many years, and he must draw it to a conclusion. Why have other countries with tax systems comparable to ours managed to deal with the problem, while we have not? That is the question to which I require an answer.

Mr. Lewis: Before we resolve the question, we must be convinced that there will be a fair regime that does not create distortions and is fair to all taxpayers.

Mr. Newmark: While the Minister waits, the message is clear: people are moving to other tax regimes. Today, next month and the month after, more and more real estate investment trusts will be set up elsewhere. He has to ask himself why those other businesses are being set up in other tax regimes. If he waits another year, the Exchequer will lose out.

Mr. Lewis: It is clearly a point of consensus that we want to resolve the issue as quickly as possible and that that is in the national interest. I think that we also agree, however, that there are complex and difficult issues that have been resolved neither by Members of this House nor by experts. We have been taking expert submissions and advice, and as of today's debate there has been no satisfactory final resolution to ensure that the legislation that we introduce will achieve the objectives that we want from a reform of REITs.

That is the position. I have been open and up front about the process of tackling the REITs issue. We need to make progress as quickly as possible, but the Government are often admonished for rushing through legislation that leads to unintended consequences.

Mr. Spring: Twenty years.

Mr. Lewis: If it has taken 20 years, the hon. Gentleman's party bears some responsibility; indeed, he is expressing agreement.

We recognise the importance of speed, but we are equally determined to get things right. I do not accept the Opposition's contention that this country is losing out as a consequence of delay. If one examines all the indicators, this country is doing very well. However, the reform of REITs is an integral part of our economic objectives for the near future.

I have explained to the hon. Member for West Suffolk that clause 18 already achieves the amendment's objective, and I therefore hope that he will consider withdrawing the amendment.

Mr. Spring: Incompetence has nothing to do with macro-economic policy—it concerns putting things in the Library. The Minister should understand that that is not the way in which to treat this Committee.

My hon. Friends the Members for Braintree (Mr. Newmark) and for Chipping Barnet (Mrs. Villiers) have discussed the central issue of REITs in some detail. The matter has been under discussion for many years, and I understand that the Government have made a commitment that the reform of REITs should be implemented by 2006. However, the industry is anxious, and people in the financial services industry who are involved with investment have told us that money that

should be coming into the United Kingdom is going abroad because of delay, vagueness and the Treasury's inability to do what so many other Governments have done successfully. I will not press the amendment to a vote, but the Minister must understand the legitimate concern of the industry and others in the City that we are missing out. He has not satisfactorily addressed that point, and I hope that he will take our concerns on board and reconsider the need to move on.

On the other issue, I accept the point made by the hon. Member for Eastleigh (Chris Huhne) on tax neutrality. There is also the matter of the different tax treatment of classes, but the point has been made and I hope that the Minister will reflect on it. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 18 ordered to stand part of the Bill.

Mr. Francois: On a point of order, Mrs. Heal. In our earlier debate on clause 11, I cited Mr. Bill Ferris as the chairman of the Association of Independent Museums. In his response, the Minister sought to correct me and said that Mr. Sam Mullins is the chairman of AIM. I have double checked the situation, and AIM recently held its annual general meeting, where those responsibilities were changed and Mr. Ferris became chairman. I have received this e-mail from Mr. Mullins:

"I am now Vice Chairman of AIM and remain Director of London's Transport Museum. We had our AGM in May and our website needs updating".

I hope that the Minister will accept that clarification.

Mr. Ivan Lewis: Further to that point of order, Mrs. Heal. I thank the hon. Gentleman for that clarification. In this case, however, the words of the vice chairman are as important as those of the chairman.

The First Deputy Chairman: The original point was not a point of order. None the less, the correction is now on the record.

Clause 40 ordered to stand part of the Bill.

6.45 pm

Schedule 8

FINANCING OF COMPANIES ETC: TRANSFER PRICING AND LOAN RELATIONSHIPS

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I beg to move amendment No. 10, in page 124, line 23, leave out

'in relation to the financing arrangements'.

The First Deputy Chairman: With this it will be convenient to discuss the following amendments:

No. 8, in page 124, leave out lines 29 and 30.

No. 38, in page 124, line 32, leave out 'the'.

No. 9, in page 124, line 33, after 'arrangements', insert 'for A'.

No. 7, in page 125, leave out lines 3 and 4.

No. 12, in page 125, line 5, leave out 'B' and insert

'One of the affected persons (B)'.

No. 13, in page 125, line 6, leave out 'the'.

No. 14, in page 125, line 7, after 'arrangements', insert 'for B'.

No. 17, in page 125, line 9, leave out 'person' and insert 'persons'.

No. 15, in page 125, line 34, after 'provision', leave out 'relates to' and insert

'has been made or imposed in connection with'.

No. 39, in page 125, line 35, at end insert

'and would not have been made or imposed in the absence of those financing arrangements'.

No. 19, in page 126, line 23, at end insert—

'(6) after paragraph 13 insert—

"Transfer pricing guidelines

Schedule 28AA ICTA 1988 is amended as follows.

13A The Treasury may for the purposes of paragraph 4A Schedule 28AA ICTA 1988, by regulations—

(1) make provisions determining what may constitute arm's length provision for any financing arrangement, by making reference to—

(a) income cover; and

(b) debt: equity ratios in respect of a company's financing arrangements as defined in paragraph 4A.

(2) Under subparagraph (1) different provisions may be made for different categories of business.

13B (1) Where, for an accounting period, the financing arrangements of a company or group of companies come within the parameters set in the regulations made in accordance with paragraph 13A then paragraph 5(1) of this Schedule shall not apply to such financing arrangements unless they differ from the financing arrangements that would have been made as between independent enterprises.

(2) For the purposes of this paragraph and paragraph 13A of this Schedule, "financing arrangements" means arrangements made for providing or guaranteeing, or otherwise in connection with, any debt, capital or other form of finance."'.

Mr. Hammond: Schedule 8 is complicated—it deals with the financing of private equity finance companies and the loan relationships that typically underpin them—and we want to explore a number of issues with the Government over the next couple of hours.

Schedule 8 amends the scope and the effect of application of the transfer pricing rules, which are well-established in our tax law to deal with situations in which parties who are not at arm's length might manipulate pricing arrangements. That might involve the pricing of interest rates in relation to loans, the terms of such loans or, at an altogether different level, the price at which goods are transferred between a parent company and a subsidiary or a subsidiary and a parent company, which could, if left unchecked, give rise to considerable distortions in tax charges. Tax experts have told me that transfer pricing is, perhaps unsurprisingly, the most common area of dispute between taxpayers and the Revenue.

[Mr. Hammond]

Schedule 8 attempts to address an area of transfer pricing that has not hitherto been caught by the snappily titled schedule 28AA to the Income and Corporation Taxes Act 1988. As I said on Second Reading—I am sure that the Financial Secretary knows this—there is a considerable degree of resentment in the private equity venture capital industry at how a change to the arrangements affecting that industry is being badged as anti-avoidance legislation, when the industry has clearly asserted that its practices have hitherto been in pursuance of a model well known to and agreed with the Revenue and the Treasury.

The industry accepts that the Government and the Treasury can determine that it must change its arrangements, which were acceptable in the past, but it would send a positive signal to the industry if the Minister were to acknowledge that schedule 8 is about changing the rules rather than addressing an avoidance mechanism that has been used in the past, which is part of the industry's problem with how those issues are being presented. The Minister should acknowledge that the model used by most of the private equity industry is long-established and has been subject to regular discussions between the industry, the Treasury and the Revenue and that the legislation relating to schedule 8 was amended at the request of the industry, and with the agreement of the Revenue, as recently as the Finance Act 2004.

The Government say that they want to address narrow concerns. The industry's fear is that the Bill is potentially wide-ranging and that it could have significant negative impacts on both the UK private equity and venture capital industry and UK businesses that are financed by private equity or venture capital.

Paragraph 1 of schedule 8 amends the definition in paragraph 4 of schedule 28AA, which defines persons who are deemed to be participating in the management, capital or control of a company. Paragraphs 1(2) and 1(3) of schedule 8 deal with a situation which is not covered by schedule 28AA and which the Government clearly feel needs to be addressed. Schedule 28AA deals with transactions between a parent and a subsidiary and with the situation in which a transaction is between two parties and a third party controls both those two parties, but it does not deal with transactions that fall within what might be deemed the normal private equity financing model, whereby a number of unconnected parties act through a common investment vehicle, none of whom individually has control, as defined in tax legislation, but all of whom have an aligned interest in their relationship with the operating company, and all of whom collectively, were they to act collectively, have control.

Typically, such a structure will involve a limited partnership that is probably not in the United Kingdom. There will be several private equity investors who are partners in that limited partnership, and the partnership will invest in an acquisition vehicle, typically a company, which will then acquire the business ultimately to be financed. That might be a young, dynamic, growing business that seeks an injection of private equity, perhaps to get it to the next stage through a rapid phase of growth to the point where it can go to the public markets. It might be a larger business that has hit troubled times and is crying out for an injection of private capital to allow it to be restructured and its management to be refocused—that needs, as it were, to go into the intensive care ward that private equity funds can often provide. Or it might be a non-core business of a large conglomerate that has been ignored or on to which the focus of its parent has not been properly directed, and where the management are willing and able to take the business forward to ensure that it grows and venture capitalists or private equity investors can see the opportunity to come in behind the management team and allow the business to grow. It is very important, from the point of view of UK plc, to help the most dynamic businesses in our economy to grow and to help established businesses that may not be performing as they should to get themselves turned around. It would be a great shame were the Government inadvertently to introduce legislation that damaged the way in which the private equity venture capital model operates.

Paragraph 1(3) introduces new paragraph 4A into schedule 28AA to try to deal with the problem identified by the Government by creating a wider definition of control. This is fairly complex and tortuous stuff, but I shall try to get it right. A person, P, will be deemed to have control of a company, A, where P and others have "acted together" in relation to financing arrangements for A. That is very legalistic, but I take it to mean that where P has been involved in setting up the private equity funding deal that backs company A, P will be taken to have control of A if it is not a requirement that P has control over A, but if P and the other parties with whom he acted together in setting up the financing arrangements for A, taken together, have control of A—in other words, the rights and powers of each of those investors, when pooled, amount to control—then P will be taken to have control of A, and that will be sufficient to bring the private equity limited partnership transactions within the scope of the existing transfer pricing rules in schedule 28AA. That gives rise to several issues that we will explore later.

We recognise the problem that the Government have identified. Clearly, arms-length pricing of transactions is the proper way to proceed and the proper basis on which to levy tax, and if there is evidence of a serious abuse of arms-length pricing, it is right that anyone continuing such abuse should be brought within the scope of the transfer pricing regime. As I said earlier, where there is a group of parties who are technically unconnected in terms of the existing legislation but who have an absolute identity of interest because they all own the target company, A, it is equally likely that they will have the ability to manipulate the pricing arrangements in their transactions with A, as would be the case were it a single controlling entity.

We entirely accept that, but I must reiterate the point that I made on Second Reading about babies and bathwater. Of course we understand the Government's motivation, but the numbers that they have put forward suggest that relatively modest amounts of tax are at stake. The concern in the industry and more widely is that this measure is very widely targeted and could, if we are not careful, have a very detrimental effect on the industry as a whole, perhaps, ironically, even reducing the overall tax take over a period of time. For us, the point is to try to narrow the focus of any change in the

rules to address the mischief that has been correctly identified while ensuring that it does not spill over to have unintended consequences elsewhere.

This group of amendments is intended to avoid a situation whereby the Government, in dealing with what they see as an abuse, inadvertently open up another loophole. Given that a group of investors has been identified as being outside the existing transfer pricing rules, and given that the Government want to bring those investors inside the existing transfer pricing rules, it might be thought that the simple way would be to define them and to say that they too are persons subject to those rules. However, that is not what the paragraph does. It limits the extent to which those parties are brought within the transfer pricing rules to "provision"—that is, something that is done—in relation, to any extent, to financing arrangements for A, which is the company that the investors, one of whom is P, collectively own. It is unusual for me to stand here saying that a provision might be too narrowly drafted, but in this case we are worried that the Bill, by narrowly drafting the extension of the transfer pricing rules to apply only to those matters that relate to any extent to financing arrangements, may not catch everything that it needs to catch. If it identifies people—in this case, an investor group—who should be subject to the transfer pricing rules through having acted together to arrange finance for the company, which is typically the company that does the borrowing, surely all transactions between those persons and the person of whom they are each deemed to have control, not only those that relate to the financing arrangements, should be subject to the transfer pricing rules.

7 pm

For example, what about management fees that are charged between the parties to such an arrangement? What about consultancy fees or intellectual property licensing fees? All those matters should be of concern if the Government's fundamental anxiety is justified and there is evidence of non-arm's-length pricing between groups of parallel investors who invest in a target company and that company. An obvious avoidance route is open to those parties if the arrangements that the Government are extending are limited to matters that relate only to the financing arrangements.

The identity of interest between the parties creates the motive but, as drafted, the transfer pricing rules cannot be applied to transactions other than those that relate to the financing arrangements because schedule 28AA is amended to include people who have such indirect control only in respect of financing arrangements.

Let me briefly go through the amendments. Amendment No. 10 would simply change the heading in line 23, replacing

"Persons acting together in relation to financing arrangements"

with "Persons acting together".

Amendment No. 8 would delete proposed new paragraph 4A(1)(a), which requires the provision to relate to financing arrangements for A.

Amendments Nos. 38 and 9 would reword proposed new paragraph 4A(1)(c) so that it read: "P and other persons acted together in relation to financing arrangements for A".

Sub-paragraph (2) deals with a position whereby a party has control of both parties to the transaction. Amendment No. 7 would delete (a). Amendment No. 12 would reword (b) and amendments Nos. 13 and 14 would reword (c).

The amendments seek the overall effect of ensuring that all transactions between parties deemed to have control under proposed new paragraph 4A of schedule 28AA would be subject to the transfer pricing rules. Presumably that is the Government's desired outcome. We see no reason for including the potential controlling party in respect of only one sort of transaction. I hope that the Financial Secretary understands what we are trying to achieve. Perhaps one of the weaknesses of the system is that we have to table amendments, to which a Minister has to prepare responses, guessing the arguments behind the amendments.

If the Financial Secretary will not accept the amendments or at least their thrust, he needs to explain how he can prevent the tax planners in the big accountancy and law firms from simply moving to exploit other transactions between the same parties that are now defined as being subject to the transfer pricing rules, thus perpetuating what he clearly perceives to be an abuse.

Amendment No. 17 deals with a small and technical point in proposed new paragraph 4A. Perhaps the Financial Secretary can throw some light on it. Sub-paragraph (2) deals with a party who, with the rest of the investor group, controls a borrower and a lender—in other words, a single party that is deemed to have control of both the borrower and the lender in a loan relationship. The amendment simply questions whether the word "person", which appears in line 9 on page 125, should be changed to "persons". Sub-paragraph (2)(d) reads:

"Q would be taken to have control of both B and the other affected person"—

in the singular—

"if, at any relevant time, there were attributed to Q the rights and powers of each of the other persons mentioned in paragraph (c) above."

That should be straightforward: B is the borrower and the other affected person—in the singular—is clearly the lender. They are the two parties to the transaction as paragraph 1(1)(a) of schedule 28AA defines them. It refers to a provision

"made or imposed between any two persons"

and defines them as the "affected persons".

However, now that we are introducing the concept of limited partnerships as one of the "affected persons" who can be subject to the transfer pricing rules, we are therefore including in those rules an entity that is tax transparent. Including the tax-transparent entity—the private equity funding partnership—in the rules is the purpose of the schedule. I understand that, when a tax-transparent partnership is introduced as the lender, tax law will look through that partnership and consider a loan relationship to be in place between each partner and the borrower. In those circumstances, the language of proposed new paragraph 4A(2)(d) and, indeed, of paragraph 1(1)(a) of schedule 28AA does not quite do the business any more.

The possibility of more than two affected persons—more than one lender for the one borrower who is caught by the transaction—must now be contemplated.

[Mr. Hammond]

If I am wrong, I am sure that the Financial Secretary will explain the reason. We are simply asking whether there could now be "B and other affected persons" in the plural. I am sure that, if that is the case, the Financial Secretary will consider whether some redrafting should take place of proposed new paragraph 4A(2)(d) and paragraph 1(1)(a) of schedule 28AA, where it specifically refers to affected persons being "any two persons" between whom provision is "made or imposed".

Amendment No. 19 again simply probes the Government on their willingness to lay down some rules about what constitutes arm's-length provision in different circumstances. If the Government accepted the amendment or something like it—I say that in all humility because amendment No. 19 is not perfectly drafted and does not do what we want it to do but we hope that it is clear enough for the Government to take its point—it would create a safe harbour for investors who complied with the criteria or parameters that the Treasury set down. That would be helpful and I understand that it is common practice in other jurisdictions.

In amendment No. 19, we propose to introduce new wording at the end of section 28AA—that is the end of the effective provision in the section—to provide that the Treasury may make regulations about, specifically, the minimum income cover in a financing arrangement and the maximum debt equity ratio in respect of a financing arrangement that would be acceptable to the Treasury so that an investor might know that, provided there was compliance with those ratios or criteria, as set down by the Treasury, it would not be deemed to be within the scope of paragraph 4A and thus subject to the transfer pricing rules. The idea is simply that provided that arrangements fall within defined parameters they will not be caught by the provision.

I hope that the Financial Secretary will concede that there is some merit in providing certainty by having these defined safe-harbour provisions. We accept that they would have to be defined to allow for different ratios in different circumstances and in different types of sector. For example, a service industry would clearly need to have different ratios and parameters laid down when compared with a capital-intensive business such as oil and gas production.

In the absence of safe-harbour type provisions, the danger is that nearly all private equity deals will face an additional and unwarranted degree of uncertainty, as it is necessary to consider for the given arrangements in any deal whether the Treasury or the Revenue commissioners are likely to treat them as being at arm's length or not. Who knows? I think that the Government are trying to send soothing signals to the industry that only the most blatant abuses will be targeted, using these provisions. However, I think that the Minister would acknowledge that the Treasury's scope, or that of the Revenue, for focusing its view and challenging arrangements at the margin is considerable within the schedule as drafted. That will inevitably introduce uncertainty.

The Chancellor is fond of reminding us how important stability is to the development and growth of the economy. Anything that tends to undermine certainty and predictability—anything that looks like creating uncertainty, and certainly anything that looks like arbitrary or capricious unravelling of arrangements that have been put in place and agreed to over a long time—is likely, or even certain, to make the UK a less attractive climate for overseas private equity or venture capital investors, and is likely to make it thus commensurately more difficult for UK-based businesses seeking private equity or venture capital funding to obtain that funding.

We are talking about a very competitive area. It is a field in which, currently, the United Kingdom is a very major player. We are second only to the United States in the volume of private equity funded business. The British Venture Capital Association estimates that £127 billion worth of sales generated by businesses in the UK economy are backed by venture capital private equity and that some £23 billion worth of taxes that are payable to the Exchequer flow from these private equity and venture capital backed sectors of our economy.

I am sure that the Financial Secretary would be the first to confirm that the Government do not want to do anything that would destabilise what has proved to be an extremely successful model that has been financing businesses that on average grow faster than the economy as a whole. On average it has created jobs more quickly than the economy as a whole. I hope that the Financial Secretary will be able to respond to the intention behind amendment No. 19, even though I have acknowledged that, as drafted, it does not quite do what we would like it to do.

Amendments Nos. 15 and 39 were attempts to tighten the language of sub-paragraph (7). I do not think that they add a great deal of substance and I do not propose to detain the Committee by speaking to those amendments.

7.15 pm

The Financial Secretary to the Treasury (John Healey): I pay tribute to the reflective and serious way in which the hon. Member for Runnymede and Weybridge (Mr. Hammond) moved the amendments and introduced a fairly wide range of general remarks on the nature and principle of the provisions. The clause gives effect to schedule 8.

The purpose of the legislation is to make the tax treatment of company finances fair between all companies regardless of their ownership and of their financing structures. The clause gives effect to changes in transfer pricing and loan relationship rules that will provide a more even playing field for business. The legislation should help to ensure that changes in companies' ownership and financing happen for the right reasons—in other words, to deliver real economic benefits rather than just to chase tax advantage. I think that the hon. Gentleman was clear about that.

When applied to a company's financing arrangements, transfer pricing rules limit deductions for interest payments to the amount that the company would be entitled to had it borrowed at arm's length to an independent vendor. The hon. Gentleman said that these transfer pricing rules are well established and, as he said, properly so. However, existing transfer pricing rules apply only if one of the parties to the arrangement has control of the other or if both are under common control.

We became aware that companies and their investors were being advised by some professional advisers to put in place financing and ownership structures specifically designed to get around the rules so as to achieve an unfair tax advantage. The schedule anticipates such problems on a wider scale and seeks to close the loophole. It will ensure that the transfer pricing rules also apply if two or more parties who together control a business act together in relation to its financing arrangements.

In addition, transfer pricing rules are extended to cover financing arrangements put in place after six months before a control relationship between the parties involved. The schedule also tightens loan relationships that regulate deductions for late-paid interest and discounts owed to connected parties.

I was interested that what seemed to drive the amendments was not entirely what was obvious from reading them. What seemed to drive them was the hon. Gentleman's concern that the Bill and the schedule might be too narrowly drawn, or too narrowly focused. The group of amendments generally appear to seek to change the scope of the transactions that are affected by the rules as they apply where persons act together in relation to the financing arrangements of a business.

The hon. Gentleman said that the rules seemed tightly to relate to financial arrangements. The measures relate to transactions related to financing and not only to the financing itself. Where there is abuse—for instance, with related activity perhaps such as consultancy or management fees—HMRC will act to challenge that as well.

Mr. Philip Hammond: Is the Financial Secretary saying that, where parties act together in the financing arrangements for a company, any transaction that those parties enter into with that company will be a transaction relating to the financing arrangement? Is that his position?

John Healey: The hon. Gentleman is drawing too wide a definition. The provisions of the schedule are for transactions related to the finance arrangements. Rather than the wider span that transfer pricing rules can bite on, this is a narrower focus relating to financial arrangements. The rules will have no tax consequences for transactions made on an arm's length basis, so there is no reason why the scope of the rules should cause any real problems for ordinary commercial transactions.

Mr. Hammond: A specific example came to me as the Financial Secretary was answering my intervention. Were the investing group to purchase real estate that was then rented to the target company as its premises, would he regard that transaction as related to the financing arrangements, or would it be too remote, so that a non-arm's length rental would not be caught by the inclusion of such people within the transfer pricing rules?

John Healey: No, such a transaction would, in my judgment, be well beyond those related to the financing of the company, and would not therefore fall under this clause and schedule.

Generally, we have tried to limit the scope of the rules to transactions that relate to financing arrangements and to target changes for particular avoidance risks that we have identified, which is the route of the provisions in the schedule. We know that some professional advisers are beginning to advise some clients to structure their affairs in that way. The reason that we are extending the rules is that some of those advisers are promoting ways for companies to get around the existing rules and we want to ensure that that cannot happen in the future.

The other substantive amendment that the hon. Gentleman tabled was what he described as a probing amendment, amendment No. 19. It would create the power to make regulations specifying the criteria that determine whether or not financing arrangements are on an arm's length basis. What constitutes an arm's length financing arrangement depends, as he will appreciate, on all the facts and circumstances relating to the particular provision of finance. He is creating a problem if he believes that that can somehow be determined by a formula set out in regulations. The problem with looking for a formula, particularly one codified in regulations, is that it simply could not take into account the facts and circumstances that are likely to exist in a range of situations. To that extent, the danger is that it would become inflexible.

If we had a standard formula, which I understand to be envisaged under regulations that could be laid under amendment No. 19, it would inevitably be too generous to some and too tight and mean to others. Those who were treated generously would make use of that to avoid the impact of the new rules. The practical effect for some companies of having such a set of rules would be that financing could still be set up on a non-arm's length basis and still stay outside the scope of the transfer pricing rules, which is the purpose of schedule 8 brought in by clause 40. Such companies could therefore continue to obtain tax deductions for excessive interest with impunity, which is precisely what we wish to stop.

Mr. Hammond: Is not the other practical effect that, without clear guidelines, people entering into such relationships or transactions will simply not know whether they are deemed arm's length transactions until later, so they will have to price in an additional measure of risk and uncertainty?

John Healey: I appreciate the general argument that business prefers certainty and that businesses are looking for guidance. I will come to that in a moment. What I am saying, in direct response to the hon. Gentleman's probing amendment, is that to try to codify that in regulations is likely to introduce, first, an inflexibility into arrangements, and secondly, a formula that will inevitably be too generous and allow the sort of avoidance and arrangements that we are keen to close down under this schedule.

Let me give the hon. Gentleman more reassurance on certainty and guidance. Many existing companies, such as members of groups of companies, must already apply transfer pricing rules to their financing arrangements as a matter of routine, so there is considerable existing guidance on the application of such rules to loans, which is equally relevant to the application of the new rules. That guidance, which is available on Her Majesty's Revenue and Customs website, was comprehensively updated and expanded in 2004. In addition, since the announcement of the new rules on 4 March this year, we

[John Healey]

have set up and been operating a central hotline, which investors or companies can contact to discuss the implications of the new rules for particular investment deals. As the hon. Gentleman might be aware, details of that hotline are also on the website.

Mr. Hammond: The Financial Secretary referred to the existing rules and guidance and said that they will apply equally. Is not he making any concession to the private equity financing model? Is he saying that the same criteria will apply to a private equity finance deal through the traditional private equity finance route as would apply to any other corporate financing?

John Healey: No, I am making a more general point that there is plenty of guidance and experience on the operation of such rules and, to that extent, amendment No. 19 is misconceived. I therefore ask the hon. Gentleman to withdraw his amendments.

Mrs. Villiers: Transfer pricing is horrendously complex and we have heard that it is one of the most common areas of dispute between companies and the Revenue. Given its complexity, it comes as no surprise that it boasts such an unfortunate statistic.

We must not lose sight of the vital importance of the venture capital industry. We must bear in mind its enormous importance in economic efficiency, not only as an incubator for encouraging small businesses, but in taking over ailing businesses and turning them into profit-making enterprises. We are extremely lucky to have a flourishing and healthy private equity sector in this country—many western nations would give their eye teeth for such a successful sector. It is worth reminding the Committee that it was one of the Chancellor's favourite areas a few years ago. He has stopped talking about it, but he used to like to cite the private equity and venture capital industry as a model to be encouraged. He sought to introduce that model in a range of different areas and I recall him lecturing some of our European partners on the importance of the private equity sector. That makes it doubly important for us to examine these provisions with great care. In this part of the debate, I am reminded very much of some of the issues that we discussed in relation to real estate investment trusts: the Government talk about the importance of enterprise and of creating the right climate to encourage enterprises, yet fail to deliver on the detail.

Of course, like everyone else in the Committee, I agree completely with the overall aim of closing down tax loopholes that enable companies to avoid an excessive amount of tax. I can agree with the spirit of what the Government are trying to do, but as other Conservative Members said, these anti-avoidance provisions are drawn too widely. I therefore appeal to the Government to consider with great care the clarifications and limits proposed in the amendments. I would not say exactly that the Treasury is taking a sledgehammer to the private equity industry, but the proposals as drafted in the Bill are too wide-ranging and would impact negatively on the venture capital industry without commensurate benefit to the Treasury and taxpayer.

7.30 pm

Mr. Philip Hammond: My hon. Friend talks of people avoiding an excessive amount of tax. Whatever language we may use, does she agree that essentially we are in a competitive position? What matters, surely, is how this jurisdiction stacks up against other jurisdictions, either as a home for private equity and venture capital funds or as a destination for their investments.

Mrs. Villiers: Absolutely. One crucial aspect is the role played by the private sector in bringing investment into this country. Accepting a new framework that deterred that could significantly damage our competitiveness and the foreign direct investment of which the Government are so proud.

There is a slight undertone in the Bill suggesting that some of the structures commonly used in the venture capital industry are somehow dodgy because they have a foreign or offshore component. That is a misconception. Not only have those structures been in long-established use with the knowledge of the Revenue—after negotiations with the Revenue—but they are not, in the main, designed to avoid or reduce tax liability. They are simply convenient legal structures to facilitate foreign investment. On that ground alone, the Government are wrong to stigmatise such arrangements. Although it is not stated explicitly, there is an implicit suggestion that the use of special purpose vehicles or offshore holding companies is in some way nefarious. In fact, it has proved to be an efficient way of attracting the foreign direct investment that is so vital to the effective functioning of our economy.

Amendment No. 19, which the Minister discussed at some length, is one of the most important illustrations of a broader point that I have tried to make: that the provisions, while making a degree of sense in some ways, are too widely drawn. The Minister did not accept the need for further clarity and a more precise formula, which is the aim of the amendment. He said that he thought that there would be too much inflexibility, that some circumstances would not be covered properly by a black letter-type formula and that there should be a less prescriptive approach.

We need more certainty and clarity in tax legislation than in other legislation. It is a basic tenet of not just tax law but our constitutional settlement that, if the Government are to deprive citizens of their money, they must ensure that their legislation is very clear indeed. They are under more of a burden to provide clarity and certainty in that area than in any other area of our legal system. The background to that is Parliament's constitutional struggle with the Executive to ensure that citizens were not taxed without due constitutional process and the acceptance of Parliament.

On that ground alone, clarification of this fundamental part of the Bill is vital. How is it to be decided whether a transaction is on an arm's-length basis? I urge the Committee to look carefully at amendment No. 19. I hope that the Minister and the Government will deem it a constructive contribution to ensuring that venture capital funds have a better idea of what the Bill is designed to do and that the Bill does nothing to damage a vital sector: the flourishing investment sector that is so important to the health of our economy, the health of enterprise and the health of business start-ups.

Mr. Philip Hammond: I apologise for my hesitation in rising. I had understood through the usual channels that more inspiration had come to the Minister in the last few moments, and that he wanted to share it with the Committee. Apparently, that is not the case. I listened carefully to my hon. Friend the Member for Chipping Barnet (Mrs. Villiers). She made some important points, which reinforced Conservative Members' concerns. I want, however, to concentrate on the Minister's remarks.

The Minister began by saying that the motive for schedule 8 was to create equality between different ownership structures. I take that to mean that the Government wanted to ensure that corporate bidders would not be routinely outbid by private equity bidders because of a structural advantage. I do not think that the Minister was suggesting that the structure had been adopted, or was being abused, specifically to gain a tax advantage. He was, I think, observing that it none the less delivers an advantage to private equity partnerships bidding for a UK company financing opportunity.

My problem with what the Minister said is that he has addressed his perception of inequality between corporate bidders and private equity partnership bidders by levelling down—by burdening private equity partnership bidders with some of the disadvantages that he says corporate bidders currently suffer. Like my hon. Friend the Member for Chipping Barnet, I fear that corporates cannot and will not do all the things that private equity funds and venture capitalists are very good at doing. It would be a terrible shame if, in levelling down to try and create a level playing field, we created a playing field that was level but, for the purposes of some transactions, was under water, and if those transactions were not completed, to the detriment of the economy as a whole.

The Minister said that some transactions had been set up with the use of limited partnerships to exploit the ability to charge or recover higher levels of interest and offset those charges against UK corporation tax liability in the acquiring vehicle. I agree with him that on some occasions transactions have been structured in that way for that purpose, but the point about mainstream private equity funds is that by and large, over the past 12 to 18 months, they have not been set up as a result of some dodgy scheme marketed by a tax planner to avoid taxation or to gain some taxation benefit.

I am no expert, but I understand that the model used by most private equity houses has been established and used for many years. Many private equity investments are made with underlying funds originating in the United States. It is natural and unexceptional for an offshore limited partnership vehicle to be used to channel those funds. I hope that the Minister will acknowledge what I think he came close to acknowledging—that the private equity industry as a whole structured itself in this way not to gain a tax advantage, but because it was the sensible structure for it to have as it grew up, financed primarily—at least initially—with funds from the United States.

On the amendments that seek to include arrangements between the parties other than those relating to the financing arrangements, the Minister did not deal effectively with the question of what would happen in the example that I gave of a property investment made by private equity finance partners. If they are engaged in the abuse that the Minister is talking about, and if their previous scam would have been to lend more money than is reasonable in order to have a larger interest deductible in the UK, it would be perfectly sensible, if proposed new paragraph 4A were then to slap them down, for them to consider as an alternative purchasing the real estate assets that the UK business needs to operate—the factories, offices and warehouses—and renting them to that business at exorbitant rates. Those rents would be deductible and would not be subject to the transfer pricing rules because one of the parties to the transaction would be a limited partnership that is not caught by schedule 28AA, except in so far as proposed new paragraph 4A brings them within the scope of the provision. Indeed, it does so only in relation to transactions connected to the financing arrangements.

I ask the Minister to think about that point. I have to say to him in all modesty that I have not laid awake at night dreaming up new ways of avoiding tax once proposed new paragraph 4A comes into force, but I have talked to people who are involved daily in these matters for a living. The fact that they see scope for avoiding the intended impact of that provision suggests that the Treasury should look at this issue.

I noticed that the Minister did not address what I confess was a fairly long and tortuous argument about whether "person" should be "persons" and about the effect of bringing tax-transparent limited partnerships into the scope of the transfer pricing rules. I do not know why he did not address it—I would expect inspiration to reach him—and if my argument was wrong, I would expect him to enjoy explaining why. We raised the issue not in an aggressive way, but simply in a spirit of inquiring whether the provision's drafting needs to be addressed. I am happy to let the matter pass for now if the Minister has no further comment to make, but perhaps he would be kind enough to write to me explaining why my point is wholly misconceived or, if it is not, what he intends to do about it.

On amendment No. 19, the Minister said that a formula would be too inflexible, but later on he gave the game away rather by saying that a formula would be too generous. What he really means is that a formula would be too generous because, if it is not going to be unreasonably constraining on the taxpayer, it would have to be set in such a way as to give the taxpayer the benefit of the doubt. I understand that point, but my understanding of the Treasury's explanation of the discrepancy between the Government's assessment and the industry's assessment of the revenue raised by these measures—I think that the Minister has already made this point—is that the Government intend that the measures be used in a limited and sensible way to target flagrant abuses, and not to nitpick the fine detail of every arrangement in order to see whether it complies at the margin with the most rigorous test of arm's-length pricing.

7.45 pm

If my understanding of the Treasury's explanation is correct, the concern that a formula would be too inflexible is not well founded, because one would expect it to be set a little on the generous side so that arrangements that approximately constitute an objectively assessed arm's-length pricing arrangement could be deemed okay. Only

[Mr. Philip Hammond]

when participants had moved beyond what could be reasonably argued as that position would the formula kick in and cut them off. That seems a fairly sensible way to proceed.

It cannot be in the interest of the taxpayer that every single arrangement be scrutinised in detail to see whether it is entirely compliant. It certainly cannot be in the Revenue's interest to have to examine thousands of transactions in detail to see whether they are entirely compliant with what might be deemed an arm's-length arrangement. Nor can it be in the interest of the economy as a whole to have such uncertainty and the introduction of such a compliance burden. I am little surprised that the Minister is not more favourably inclined toward some form of fixed parameters, particularly given that they exist, operate quite successfully, and are appreciated by taxpayers in other jurisdictions. In fact, they operate elsewhere in the Revenue's guidance, as the Minister has already mentioned.

However, the intention was simply to raise these issues and I am grateful to the Minister for the way in which he has responded to them, although I would be even more grateful if he could respond more fully in due course, perhaps in writing. I do not intend to detain the Committee by pressing the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Philip Hammond: I beg to move amendment No. 16, in page 125, line 35, at end insert—

'(8) This paragraph shall apply only to a person where that person, or a connected party to that person, owns shares or an interest in shares, in either A or B.'.

Those members of the Committee who have been paying attention will remember that A, in proposed new paragraph 4A(1), and B, in proposed new paragraph 4A(2), are the subject company—the acquired UK company. The amendment's purpose is to limit the class of person who can be deemed, by virtue of that paragraph, to have control—and who can thus be subject to the transfer pricing rules—to those who have a shareholding relationship or an interest in the borrower's shares. I say "the borrower" because we are talking about loan relationships, so A or B will be the borrower in the circumstances envisaged in the schedule.

Even if the Government were to accept the amendment, there would still be serious concerns about banks with private equity investments. Many banks these days either have an interest in a private equity house or have one of their own. Although they operate at arm's length from each other, the private equity division of a bank may find that its corporate debt financing division is lending money to an entity in which it is itself an investor, thus creating a relationship.

We are also concerned about banks that advance mezzanine debt—ironically, a form of debt that is designed to reduce the coupon payable and thus the interest that would be deductible in calculating the borrower's corporation tax charge, but that typically comes with an equity warrant attached for the benefit of the lender, so that the lender forgoes some of the coupon that he would normally have demanded for that class of lending in exchange for an equity kicker if the borrower performs and the equity price rises.

If the amendment were accepted, however, it would at least make it clear that third-party banks in a simple lending relationship could not be caught by the provisions. The Minister is well aware of the considerable concern among the financial community that, as it stands, the provision is not clear cut or plain for all to see. The Treasury says that banks in arm's-length third-party relationships will be caught by the schedule, but that it will be simple to demonstrate the arm's-length pricing. The Treasury's approach is to say that everyone is caught by this pretty much all-embracing provision, but that most of those embraced will be able to wriggle out of the clutches of the Revenue pretty easily. That, we would suggest, is going about it the wrong way and creating an additional compliance burden on businesses and on lenders, while introducing an element of further uncertainty.

It would be perfectly possible to exclude the third-party lenders who are lending at arm's length by writing in the words that are proposed in amendment No. 16, so that a person is made subject to the transfer pricing rules by virtue of new paragraph 4A only if he has an equity interest of some sort in the borrower. The problem is that sub-paragraphs 1(c)and 2(c) define P or Q respectively as a person who "acted together" with others in relation to the "financing arrangements" for the borrower, who is A or B respectively. That definition is bound to catch banks, even where they are involved only in arm's-length third-party lending.

Typically, in putting together a private equity deal the lending bank will have been involved with private equity investors and another department of that bank may or may not have been involved in another capacity, but all that is required for the bank to be caught within the scope of paragraph 4A is that it, together with other persons, acted in relation to the financing arrangements. That, I suggest to the Minister, will embrace all the banks that were involved in putting the finance package together.

The subsequent paragraphs go on to define P or Q as having effective control if his rights and powers over A or B, the target companies, together with the rights and powers of the other persons with whom he has acted, amount to control when they are taken together in aggregate. The problem with that is that P, the bank, may actually have no rights or powers. If control is defined in relation to a person P by the aggregate of the rights and powers that he and all the other persons involved have, and if all the other persons involved have rights and powers but P has no rights and powers at all, P would, bizarrely, under the paragraph 4A still be taken to have all the rights and powers that the other persons have and thus to have control.

If P is a bank and it acts together with private equity investors in arranging finance for a company, it will mean, at its simplest, that equity is coming from the private equity fund and debt from the bank P. In those circumstances, P, the bank, will be deemed to have control by virtue of the private equity investors' rights and powers as shareholders, even though P has none himself. Aggregating means ignoring entirely the stand alone rights and powers of each of the parties.

Banks, we suspect, will recoil at being deemed "indirectly participating in the management, control or capital" of the companies to which they are lending on account of the relationship that they had with the private equity house in arranging finance for that company. There will be an increase in compliance burdens because all bank debt will now be theoretically subject to the transfer pricing rules and the company must satisfy itself as to the eligibility of the payments that it is making to the bank for deduction against its corporation tax liabilities. I put it to the Financial Secretary that when this provision was first thought up, it cannot possibly have been the intention to bring into the scope of the transfer pricing provisions arm's-length lending by established third-party banks.

Amendment No. 16 would require a further qualifying characteristic before P or Q could be brought into the transfer pricing net—that there is a shareholding relationship or "an interest in shares". It would exclude all categorically arm's-length straightforward bank lending, except—there is still a flaw in the arrangements—where the bank in question is also involved through another part of its parent company's operations in private equity financing. The Government have said that they do not intend to catch third-party bank debt and their expectations of revenue from these measures underpin the position that is set out, but the industry's concern is that the scope could be much wider.

Will the Financial Secretary address the need to exclude third-party bank debt in line with the amendment? In responding to the amendment, will he go further and deal with the practical problems that arise from the complexity of modern banks' business? They are often in many different businesses, including equity investment, senior debt lending, mezzanine financing and so forth. Will he also address concerns that go, frankly, beyond the scope of the amendment—about the position of banks that are involved in mezzanine funding where equity warrants are attached to the debt instruments, and about banks involved in equity funding where they are providing a complex package of funding for a company, almost as an alternative to private equity funding?

I would be most grateful if the Minister could address those concerns. Will he confirm first, that he recognises the problem, and secondly, that he has some means of dealing with it?

Stephen Hammond: As a mere equity investor and equity analyst, I have followed the discussion with some difficulty, but it seems to me that private equity funds and venture capital funds are always typically structured by way of limited partnerships. The partners are effectively unrelated and the lending arrangements are traditionally third party.

If I understand my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) correctly, amendment No. 16 is designed to deal with some particular concerns. The first is that there are a number of changes in the legislation being badged as anti-avoidance measures, although they seem to be based on a model that the private equity industry has traditionally agreed with the Revenue. Secondly, unless the amendment is accepted, it seems that there will be additional uncertainty for the industry, and the current wording will catch a wider range of transactions than initially envisaged.

8 pm

As has been said by others, the venture capital and private equity industry has been hugely beneficial, and if the tax framework is altered in the way suggested, it could become less attractive for inward investors.

The Revenue's concerns seem to be that in some cases borrowing and interest charged have been excessive, and could accrue relief beyond a reasonable commercial return. The new rules seem designed to catch a wider range of transactions than initially envisaged by the phrase "acting together". The rules seem to place a higher compliance burden on banking and finance operations. There are many relationships in which a private equity division of a bank has an arm's-length relationship with its corporate lending side, and there are many cases illustrating the fact that a lending bank can be involved with private equity investors, and another arm of the bank could also be involved.

If all bank debt is to be subject to transfer pricing rules, there will be an even greater growth of the compliance industry. As I understand it, the amendment is intended to limit the provision to situations in which the lender has an equity interest in the underlying business, so we should seek to address only a limited number of arrangements—those in which the borrowing company obtains a benefit from the investor in paying a higher borrowing charge, by reducing the borrowing company's tax bill.

That practice does not happen widely, so it is important that we should not change or damage the tax treatment specifically created to assist the private equity and venture capital industry. The previous regime was created so that that industry would know what its limitations and rules were, and the change to the rules in the Bill would have an impact on that. The Government's aim seems to be to stop interest accruing on shareholder funds to owner-managed companies where interest is not paid—meaning that there would be an excessive benefit.

The amendment is designed to regularise and clarify the rules to ensure that properly structured private equity and venture capital arrangements long agreed with the Treasury would not be caught by measures branded as anti-avoidance. By tightening the legislation as my hon. Friend suggests, greater certainty would be granted to the industry. My hon. Friend the Member for Chipping Barnet (Mrs. Villiers) was concerned about the competitive threat to the industry and to Britain as an attractive location for inward investment, and as a basis for private equity and venture capital houses. I hope that the Government will accept the amendment.

Mr. Dunne: I support the amendment moved by my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), and echo some of the comments that have already been made by my hon. Friends about the importance of the private equity industry to the economy. I should—probably to the amusement of the Minister—declare another interest, in that I am the director of a venture capital trust that is quoted on the stock exchange. It is a very domestic business—in contrast to the issues that the Bill is trying to reach, which involve primarily offshore relationships.

In this country we have the most effective and substantial private equity industry outside the United States, and each of the funds that raise capital in this

[Mr. Dunne]

country does so on a global basis, with which I am familiar, ranging from the United States to Japan, and including Canada and most of continental Europe. Most of those investments are structured through vehicles not designed primarily to evade tax at the underlying corporate investment level. They are efficient structures, designed to allow funds from around the world to come together and support investments made by the fund managers. We should not therefore try to introduce a level of complexity that would drive such transactions into more tortuous structures.

Secondly, increasingly sophisticated measures are being introduced to support companies that have been taken private. I refer not only to mezzanine finance, as referred to by my hon. Friend the Member for Runnymede and Weybridge, but to high-technology companies, some of which are offered distribution agreements by other companies. Some of the insurance companies are involved in providing insurance products, so other financial arrangements may become involved within the transactions, and they might inadvertently get caught by the legislation.

Many of the lenders may not necessarily be banks. In the case of mezzanine finance, for example, they are often banks provided with an equity kicker, which would be caught by the suggested arrangements, but some mezzanine finance is now provided by insurance companies without an equity kicker, through a loan-note structure with a high interest rate, which would not be caught by our amendment because there is not an equity relationship.

The whole picture of private equity in this country is increasingly sophisticated, and by drawing the provisions as the Government have, I fear that they may impose unnecessary and undue burdens on our very successful investment management industry. For that reason, I support the amendment.

John Healey: I hesitated a little before speaking, because I noticed the activity of the Opposition Whip among the Back Benchers earlier, so I wondered whether there were any more Back Benchers with a sudden interest in the particularly narrow provision that we are considering under the schedule. The hon. Member for Wimbledon (Stephen Hammond) and the hon. Member for Ludlow (Mr. Dunne) made a series of points wider than the narrow provisions covered by Amendment No. 16, which might have been more suited to a stand part debate. They paid tribute to the successful venture capital industry in this country, so no doubt they will welcome many of the policies that we have put in place since 1997 to help that—regional venture capital funds, booster venture capital trusts, the enterprise investment scheme, and the 10 per cent. cut in capital gains tax on business assets held for more than two years.

As I have said, amendment No. 16 is narrowly drawn, to narrow the scope of the parties affected by the new transfer pricing rules. As the hon. Member for Runnymede and Weybridge said, to limit the class of persons within the scope of the new rules, the amendment would restrict the extension of the new rules to parties with an interest in the shares of the company involved. However, the chance for interests to act together to set up abusive financing transactions is not limited to such parties, so narrowing the scope of the new rules in that way would risk opening new loopholes. The new rules have no tax consequences for transactions made on an arm's length basis, so there is no reason why their scope should cause any real problems for ordinary commercial transactions.

The hon. Gentleman was particularly concerned about banks and third-party bank lending. Let me confirm clearly for him that where banks act together in relation to the financing of a business with other persons who control a company, the new rules apply. However, if the bank lends on an arm's-length basis, the tax position will not change. Indeed, businesses should not expect to obtain deductions for costs of debt finance over and above the arm's length amount.

The position with regard to the hon. Gentleman's concern about mezzanine finance with equity warrants is similar. That can be provided, and often is, on an arm's-length basis. There is no reason, as far as I can see, why that should give rise to particular difficulties in applying the new rules, so long as it is provided on an arm's-length basis. A couple of hon. Gentlemen, including the hon. Member for Runnymede and Weybridge, talked about the complex nature of banks' activity and the imposition of these rules. Where banks are just providing an ordinary loan on an arm's-length basis, the work undertaken in the normal course of that lending should be sufficient to demonstrate that. Therefore, the provisions of the schedule are not an additional compliance burden with significant costs for banks, about which the hon. Member for Wimbledon was concerned.

The reason why we are extending these rules—

Mr. Philip Hammond: Will the Financial Secretary talk about the situation in which a bank's corporate lending department is lending and its private equity division is investing? As my hon. Friend the Member for Wimbledon (Stephen Hammond) pointed out, that is not uncommon these days. As the Financial Secretary will know, such matters are dealt with at arm's length in the large banks. What would be the position then?

John Healey: The principle is clear and well established. When lending is done on an at arm's-length basis, the rules do not apply. We are extending the rules in the schedule because some professional advisers are now promoting ways for companies to work around the existing rules and we need to ensure that that will not happen again. I hope that the hon. Gentleman will withdraw the amendments.

Mr. Hammond: The Financial Secretary just said that when lending was on an at arm's-length basis, the rules will not apply, but I think that he meant to say that they would apply but would not have any tax effect, which has been the thrust of his argument. I have listened with interest to my hon. Friends the Members for Wimbledon and for Ludlow (Mr. Dunne) and I am sorry that the Financial Secretary found it necessary to make a churlish remark about the interventions from Opposition Back Benchers. I note for the record that we have not been entertained by any such interventions from Labour Members or, indeed, from the Liberal Democrats who some weeks ago were asking

incredulous electors to consider them a potential real opposition. They have not managed to muster their forces to demonstrate that tonight.

The Financial Secretary understands our concerns. We all accept that no tax consequences will arise for arm's-length transactions that are caught within the scope of the rules, but we find it bizarre to introduce a new regime that will catch hundreds, perhaps thousands, of innocent transactions, placing the burden on the taxpayer to demonstrate that he should not suffer a tax disadvantage. A compliance burden will be placed on business. Why do we find that extraordinary? Because it would be very simple to exclude that group of arm's-length corporate bank lenders from the scope of the rules. The amendment that we have tabled may not be perfect, but I have not heard the Financial Secretary criticise it from a technical point of view. It would remove a significant compliance burden from a large number of transactions and businesses, and he has not demonstrated, to my satisfaction, why it would not be a good idea to introduce such a provision. Therefore, I ask my hon. Friends to support the amendment in the Lobby.

Question put, That the amendment be made:—

The Committee divided: Ayes 177, Noes 289.

Division No. 10] **[8.13 pm**

AYES

Adam Afriyie
Mr. Peter Ainsworth
Mr. Amess
Mr. Ancram
Mr. Atkinson
Mr. Bacon
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Blunt
Mr. Boswell
Mr. Brazier
James Brokenshire
Angela Browning
Mr. Burrowes
Alistair Burt
Sir John Butterfill
Mr. Cameron
Sir Menzies Campbell
Mr. Chope
Mr. Clappison
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
Mr. Curry
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Djanogly
Mr. Dodds
Mrs. Dorries
James Duddridge
Mr. Dunne
Mr. Ellwood
Mr. Evennett
Mr. Fallon
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Chris Grayling
Damian Green
Justine Greening
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Hayes
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
John Hemming
Charles Hendry
Mr. Herbert
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
David Howarth
Simon Hughes
Chris Huhne
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Robert Key
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Peter Luff
Mr. Mackay
Anne Main
Mr. Maude
Mrs. May
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Mark Pritchard
Dr. Pugh
Mr. Redwood
Mr. Robathan
Hugh Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Andrew Rosindell
Paul Rowen
Bob Russell
Mr. Sanders
Andrew Selous
Grant Shapps
Mr. Shepherd
Mr. Keith Simpson
Sir Robert Smith
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Andrew Stunell
Mr. Swayne
Mr. Swire
Mr. Syms
Mr. Ian Taylor
Sarah Teather
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Mrs. Villiers
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Whittingdale
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Rob Wilson
Jeremy Wright
Sir George Young

Tellers for the Ayes:
Michael Fabricant and
Mr. David Ruffley

NOES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Miss Begg
Sir Stuart Bell
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Kevin Brennan
Lyn Brown
Mr. Nicholas Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Ben Chapman
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke

Ann Clwyd
Ann Coffey
Harry Cohen
Michael Connarty
Rosie Cooper
Yvette Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Mrs. Dunwoody
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Mr. Frank Field
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Kelvin Hopkins
Stewart Hosie
Mr. George Howarth
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mr. Ingram
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
John Mann
Rob Marris
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Mr. David Miliband
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oiner
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Mr. Prescott
Adam Price
Gwyn Prosser
Mr. Purchase
James Purnell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
Angus Robertson
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Alan Simpson
Mr. Singh
Mr. Skinner
Mr. Slaughter
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
John Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Mr. Watts
Mr. Weir
Dr. Whitehead
Mr. Alan Williams
Mrs. Betty Williams
Hywel Williams
Mr. Winnick
Ms Rosie Winterton
Pete Wishart
Mike Wood
Mr. Woolas
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Noes:
Mr. Parmjit Dhanda and Mr. Vernon Coaker

Question accordingly negatived.

Mr. Philip Hammond: I beg to move amendment No. 18, in page 125, line 45, leave out from beginning to end of line 23 on page 126.

Schedule 28 AA of the Income and Corporation Taxes Act 1988 provides that where an interest payment is disallowed or reduced under the transfer pricing rules, thus increasing the tax payable by one party to the transaction, a corresponding adjustment is available to the other party. That is a sensible measure, which avoids double taxation occurring where part of a transaction has been disallowed under the transfer pricing rules.

Sub-paragraph (5) of paragraph 1 inserts a new sub-paragraph (4A) in paragraph 6—not to be confused with the paragraph 4A that we were debating earlier; for some reason everything in schedule 8 relates to a paragraph 4A. The new sub-paragraph (4A) excludes the entitlement to a corresponding adjustment where two conditions are met: first, that the provision subject to the transfer pricing rules is subject to them only as a result of the paragraph 4A introduced by sub-paragraph (3) in paragraph 1; and, secondly, that a guarantee is provided in relation to the security issued by the debtor

by a person who has a participatory relationship with the debtor. That participatory relationship is defined so as to include the subsidiaries of the debtor.

If A is one of the private equity investor group defined by sub-paragraph (4A) of schedule 28AA as participating in the management, control or capital of B—the acquisition vehicle—and B is both the acquisition vehicle and the debt issuer, it would be perfectly normal in those circumstances for B's obligations as a debt issuer to be guaranteed by its operating subsidiary. To put that in practical terms, the companies generating the cash flow will, typically, guarantee the debt obligations being taken on by the holding company in the form of a raft of cross-guarantees between companies in the group.

The transaction is subject to transfer pricing rules because of the sub-paragraph (4A) to be inserted in schedule 28AA. So, B's interest charge may be reduced or disallowed for corporation tax purposes but, because of sub-paragraph (5), the lender is not entitled to reciprocal treatment, thus reducing its interest receivable for corporation tax purposes.

8.30 pm

Why is that? The question does not arise because we are being a little slow on the uptake. No one, including the body of expert opinion in the City, which considers these matters very closely, is sure of the answer. What is the relevance of the guarantee? Why does the existence of the guarantee relationship between a subsidiary and its holding company invalidate the right to claim a corresponding adjustment in the corporation tax return of the lender where a corporation tax deduction has been disallowed or reduced in the hands of the borrower? What is the abuse that the Government imagine they are addressing by the inclusion of sub-paragraph (5)?

In many cases in which straightforward bank debt is involved, there will be no disallowable interest because the transaction will clearly be at arm's length. However, to rehearse the argument that we had on the last group of amendments, what about banks with an equity participation in the target company? What about banks that have a private equity division or those that have provided an integrated financing package for the company, including equity and debt as an alternative to a conventional private equity investment? On the face of it, those banks will not be able to secure a corresponding adjustment.

For example, when the lending that takes place is not senior debt lending but mezzanine lending—high coupon lending that takes a subordinate security to the senior debt—the correct pricing of that arrangement may not be so clear-cut for it to qualify as an arm's length transaction. I am not talking about a situation in which an equity kicker is attached to the mezzanine funding, but about one in which there is relatively high coupon debt with a subordinate security interest.

It is not clear to us what the mischief is and what the relevance of the guarantee is, but it is clear that the provision must be wrong in principle. The existing provision that allows for an offsetting adjustment on the other side of the transaction when any adjustment is made is a neat and simple double-entry type solution to what could otherwise be a serious injustice. It is clear that, in the absence of an entitlement to an offsetting adjustment, these arrangements could give rise to a double tax charge where a partial or total disallowance of interest is made and both parties are within the charge to UK corporation tax.The provision potentially puts UK taxpayers at a disadvantage compared with non-UK taxpayers who will often be able to achieve a corresponding adjustment through a double tax treaty adjustment.

The amendment probes the Government on their attitude to the problem by seeking to delete sub-paragraph (5) in its entirety. I have to say to the Financial Secretary that I have seldom been in receipt of such unanimously perplexed sets of briefing notes from different qualified external advisers. I am sure that he will have seen some of the briefings and noted the genuine perplexity of specialist practitioners in this sector about what the Government are seeking to address, the perceived mischief and the relevance of granting an intra-group cross-guarantee.

I hope that the Financial Secretary will be able to explain all these things, and we will listen carefully to what he says. I assure him that the expert bodies that have expressed mystification will also look closely at what he says to see just how the provisions are intended to work. Are they really intended to apply to group cross-guarantees? Why are they intended to apply to them; what do they seek to address; and how will they work in practice? We will listen carefully to his reply before deciding how we should proceed.

John Healey: The hon. Member for Runnymede and Weybridge (Mr. Hammond) is right that amendment No. 18 would remove the restriction preventing compensating adjustments from being claimed in relation to guaranteed loans. It is our view that that would open up the scope for the compensating adjustment mechanism to be abused.

When compensating adjustments were introduced in the Finance Act 2004, their purpose was to ensure that if transactions between members of a group of companies were affected by transfer pricing rules, the position in the group could be balanced out. The compensating adjustments are intended for enterprises such as groups that must apply transfer pricing to different parts of the enterprise. We deliberately limited the scope of the adjustments in 2004 so that they could not be used by third-party lenders. If a company is denied a tax deduction for interest on a guaranteed third-party loan under existing transfer pricing rules, the third party is thus not allowed to claim a compensating adjustment.

The restriction on compensating adjustments in the schedule ensures that that policy is maintained under the new rules. If, for example, an independent lender was able to claim a compensating adjustment, the effect would be to enable the lender to receive interest tax free. A lender should expect to pay tax on the interest received on a loan, whatever the tax treatment of the borrower, so it would be wrong for a lender to receive such a tax benefit.

The hon. Gentleman asked about a loan guarantor's ineligibility to claim the compensating adjustment under the new rules. Our worry is that the adjustments could be abused if they were made available to loan guarantors under the new rules. In many cases, the loan

[John Healey]

guarantor will have a control relationship with the borrower and will thus be able to claim a compensating adjustment under existing rules.

The hon. Gentleman was also concerned that without compensating adjustments, there could be the risk of a double tax charge. Guarantees enable a third party, which is often, although not exclusively, a bank, to lend more than a borrower can borrow on an arm's-length basis. The tax treatment of the lender's income should not be affected by the tax treatment of the borrower in such circumstances. The purpose of compensating adjustments was to ensure that an enterprise did not suffer double taxation because it was structured as several entities, such as a group of companies. The rules of the compensating adjustments for which the Finance Act 2004 provided continue to achieve that.

The approach to compensating adjustments under the new rules is consistent with the policy that underlies the rules under the Finance Act 2004. Those rules did not extend compensating adjustments to a third-party lender, even if the borrower had to make a transfer pricing adjustment in respect of interest on the loan. The schedule is consistent with the 2004 rules, and we are in discussion with the British Bankers Association and others. We are worried that the amendment would narrow the scope of the provision and create the opportunity for precisely the abuse that we are trying to avoid, so, on that basis, I hope that the hon. Gentleman will withdraw it.

Mr. Philip Hammond: The key point in the Minister's response was his last—namely, that discussions are ongoing. Until then, he had closed his mind to the problem as I presented it and had attempted to convince us that there was nothing to address other than that the entire financial world had suffered a bout of collective incapacity in being able to understand what the Government are about. The fact that he is in discussions gives us some cause to hope that the problem will be resolved to the satisfaction of all parties concerned.

We are not here to champion the cause of tax avoiders—that does no one any good—and we recognise that every Government have a duty and necessity to try to close down tax avoidance routes as they open up, as they surely always will. It is a constant battle—a bit like painting the Forth bridge. However, we are concerned that they should get the balance right between protecting revenue on the one hand and using heavy-handed legislation and regulation that will have a negative impact on business on the other. The Minister will agree that no one among the body of official representatives of the financial sector or any other sector would defend tax avoidance. All such bodies agree with the principle of needing to close tax avoidance loopholes, but they want to ensure that it is done in a way that does not inflict collateral damage on other parts of the economy, industry or business.

Ideally, such measures should involve proper consultation with the affected parties and their official trade bodies to find a way forward that not only works—the Government clearly think they have something that works—but is well understood by business so that there is clarity and certainty. I understand that in relation to tax avoidance there is often a temptation to legislate first and consult afterwards. Perhaps discussions are ongoing as a result of the delay that has occurred this year in implementing those parts of the original Finance Bill that are now in this Bill.

I hope that the Minister is committed to finding an agreed solution to the perceived problem in the financial community so that his undoubtedly correct objective is achieved without creating negative fallout or, if he can resolve that problem, without creating the perception of the possibility of negative fallout, which would be equally damaging to business.

I hope that by the time we discuss the Bill on Report, the Minister will be able to tell us that his discussions have come to a fruitful conclusion. In view of what he said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Mark Field (Cities of London and Westminster) (Con): I beg to move amendment No. 26, in page 126, line 23, at end insert—

'( ) Paragraph 5D shall be amended as follows—Leave out subparagraphs (1) to (6) and replace with—

"(1) Small enterprise means an enterprise that has no more than 50 staff, and either an annual turnover in the preceding accounting period or a net asset value at the end of the preceding accounting period of less than £7 million.

(2) Medium enterprise means an enterprise that has no more than 250 staff, and either an annual turnover in the preceding accounting period of less than £35 million or a net asset value at the end of the preceding accounting period of less than £30 million.

(3) "Annual turnover" and "net asset value" shall be defined in accordance with generally accepted accounting practice.

(4) The number of staff shall be determined on the basis that staff that are not full time should be counted at the appropriate fraction.".'.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following amendments: No. 21, in page 127, line 5, leave out from 'time' to end of line 7.

No. 24, in page 127, line 7, after 'the', insert 'accounting period immediately preceding the'.

No. 22, in page 127, line 16, leave out from 'satisfied' to end of line 18.

No. 25, in page 127, line 18, after 'the', insert 'accounting period immediately preceding the'.

No. 23, in page 127, line 23, leave out from '1988' to end of line 25.

No. 28, in page 128, line 5, after 'the', insert 'immediately preceding accounting'.

No. 29, in page 128, line 17, after 'the', insert 'immediately preceding accounting'.

Mr. Field: The amendments relate to definitional elements of small and medium-sized businesses. They deal with the proposed Government change to schedule 9 of the Finance Act 1996 which makes an exception if the debtor company is a small or medium-sized enterprise.

It is sensible to break up the amendments into three separate groups, starting with amendments Nos. 21, 22 and 23, which would disapply the

exception. In schedule 8, the exclusion in paragraphs 2(3) and 3(6) of small and medium-sized enterprises from the latest interest rules in paragraph 2 of schedule 9 of the 1996 Act presumably acknowledges the fact that the private equity market provides valid support to start-up businesses as well as ailing companies that might otherwise fail. If that is the correct rationale—I am sure that the Minister will confirm that it is—do those rules produce satisfactory results? In our opinion, the definition of small and medium-sized enterprises derives from the annexe to the European Commission's recommendation in May 2003. The application of that definition to private equities is complex, but in determining which enterprises are being measured we must consider private equity funds and all the investee groups that they control or over which they have significant influence.

8.45 pm

Those issues of control and significant influence are at the heart of our concern. The practical implication is that many private equity-backed groups are unlikely to fall within the definition of an SME, regardless of the size of the individual investment. We understand that that is not the Treasury's intention, but I should be grateful for the Minister's guidance. In addition, as the definition of a medium-sized company is relatively low, it will not assist the majority of ailing companies, which will be considered large for these purposes. Any unfavourable treatment of such companies would have a significant impact on the available funding and hence the prospects of those companies. I hope that the Minister can explain in detail why the Government have sought that criterion and whether, on balance, they accept that the size of the debtor company should not be a factor in their anti-avoidance proposals.

Amendment No. 26 seeks to allow businesses, whether SMEs or otherwise, to plan carefully. It would prevent their qualification under the provisions from hinging on the vagaries of the currency markets. As the Minister is aware, the definitional thresholds for small and medium sized enterprises are based on euros in the Finance Act 1996, as amended.

Adam Afriyie: My background is in business. There are many small and medium-sized businesses in the UK, including investment banking companies, private equity firms and so on. In business, one wants certainty. Throughout the ups and downs of the business cycle and currency fluctuations one needs certainty about the nature of one's business and the nature of the legislation and the way in which it affects one's company. I am glad that the Opposition have raised the issue of definition, because if the size of a business is based on euros, rather than sterling, that is a profoundly unstable way for businesses to try—

The Second Deputy Chairman: Order. The hon. Gentleman must take his seat when the Chair rises to speak. May I just tell him gently that it sounds as if he is going to make rather more than an intervention? It may be a good idea to keep his powder dry and make a proper speech in due course.

Mr. Field: Thank you for your indulgence, Sir Michael. I thank my hon. Friend the Member for Windsor (Adam Afriyie), who took the words out of my mouth. I shall, however, come on to the point that he was making in a moment.

As I was pointing out, our proposal would calculate the threshold with reference to sterling. I noted the amusement on the face of the Economic Secretary when mention of the word "euros" brought one of my colleagues to his feet. Many more would have done so, had they been here to play a part in our debate. *[Interruption.]* That is right—where are they all when one needs them? Doubtless, the proposal would appeal as a matter of principle to some of my hon. Friends who are not here today. I stress, however, that there is no Eurosceptic agenda, although the events of the past week may mean that we are all Eurosceptics now. We all recognise that in the relatively calm currency waters of the past three or four years there have been periods of turbulence that would create unacceptable uncertainty for the most susceptible businesses. That is very much the point that my hon. Friend was making.

I accept that all thresholds are to some extent arbitrary, but at least if currency risk is eliminated from the equation, a company can expand at a controlled rate from year to year and thereby qualify or stand outside the provisions. It is important to remember that small and medium-sized enterprises are often the very businesses that have least exposure to the foreign currency market, so they might find the idea of couching their definition in euros least relevant. Furthermore, such companies are least able to afford uncertainty and are without the internal back-up that would be needed to monitor the currency markets and act accordingly if they were getting near the thresholds. I hope that the Financial Secretary will be able to give us some guidance about why euros are being used, especially at a time when this country has little prospect of joining the single European currency, which may not have been the case when the initial definition was put in place.

Amendments Nos. 24, 25, 28 and 29 seek simply to promote commercial certainty. The Government's current rules for the relevant accounting period mean that a business may discover that it is not an SME after the relevant period has come to an end. Surely, that cannot be a sensible way to proceed. I accept that we are talking not about an enormous mass of businesses, but about a small number of companies that are getting near the threshold. Inevitably, there are always concerns about thresholds. In relation to certainty, surely it is better to adopt our proposal to refer to the previous accounting period rather than the current one. Let me give as an example a company that is not only worried about the vagaries of the currency market, but potentially reluctant to acquire new business that might take it above the threshold unknowingly in the last few months of its financial year. We always have to keep an eye on the collateral impact of any such proposals.

In conclusion, three factors are at stake. First, there is the question whether the base is in euros or sterling. Secondly, on the notion of a current year valuation, we propose returning to levels in the near past, for certainty's sake. Finally, we query whether an SME is an appropriate part of the entire criterion. I hope that we can have a sensible discussion on these matters. I know that we will discuss another set of amendments that propose to do something slightly different at a later

[Mr. Field]

stage, but I hope that the Financial Secretary will give us at least some guidance about re-adopting a provision in the Finance Act 1996, which is now nine years old.

Adam Afriyie: My apologies, Sir Michael, for making an incorrect intervention earlier. I am beginning to find my feet, and when I hear the words "currency" and "euros", my blood boils and off I go.

I speak as a former business man. There are many businesses of all different sizes throughout the country, and a significant minority will be affected. What one craves in business is a sense of certainty. There are enough uncertainties in day-to-day trading and business decisions to keep one occupied and cause concern for the future, without the added uncertainty of currency fluctuations, which will also be used in a retrospective fashion in defining a company's size. I ask the Financial Secretary to take a look at the definitions and to anchor the definition of a company's size in sterling, which British companies can be certain of month to month and quarter to quarter, rather than make it subject to financial fluctuations. Indeed, given the current uncertainty surrounding the euro, I wonder whether such uncertainties and fluctuations will grow in months and years to come.

If one's company's size is defined by the current accounting period, one is left in uncertainty, because one never knows how the current trading period will be considered in the future. We are against retrospective legislation, which creates stress and uncertainties in the business environment and for individuals. If the Financial Secretary were to examine historical accounting periods, I am sure that the business community, and especially those involved in the relevant section of the industry, would be pleased.

John Healey: I shall try to explain why we have drafted schedule 8 in this way and, by extension, why the Opposition amendments are unacceptable.

Amendment No. 26 is the key amendment. It changes the definition of an SME for the purposes of the exemption from the transfer-pricing rules in the Finance Act 2004. The same definition is also used in the new loan relationship party rules introduced by schedule 8. The exemption removes most SMEs from the requirement to apply transfer-pricing rules, including the relevant documentation requirements.

The definition is used in existing legislation, and it is a standard European Commission definition that is used for many purposes, including for tax purposes. One of its features is that it groups an enterprise with other enterprises with which it is linked. That means that a company with a small turnover or a small number of employees that is a member of a group of companies with a large turnover or a large work force is not treated as a small enterprise and does not qualify for the exemption, which is the result that we want to achieve. Amendment No. 26 does not include any such grouping rule, which is a serious flaw that would allow a small UK subsidiary company within a giant multinational group to benefit from the exemption from transfer pricing rules, which would not be appropriate.

The hon. Member for Cities of London and Westminster (Mr. Field) asked whether small companies controlled by private equity limited partnerships are eligible for the SME exemption. The principle is consistent, and I hope that it is clear: a business controlled by a private equity limited partnership will be treated in the same way as a business controlled by a company or by an individual, and the SME exemption will operate in exactly the same way as it does under existing transfer pricing rules, using a standard European definition to determine whether a company qualifies as a small enterprise or as a medium-sized enterprise. I must tell the hon. Members for Cities of London and Westminster and for Windsor (Adam Afriyie) that that definition is calibrated in euros and that it will continue to be calibrated in euros, although it makes the blood of the hon. Member for Windsor boil.

The hon. Member for Cities of London and Westminster also asked what happens when debtors are no longer small or medium-sized enterprises. In that case, such enterprises lose their exemption from late-paid interest or discount rules. The exemption exists to encourage funding in SMEs, which are the businesses that are most likely to grow and to create jobs. The Government put a great deal of policy attention and support behind those businesses, often with the support of the Opposition. When such businesses are no longer SMEs, however, it is difficult to justify the continuation of that protection at the taxpayer's expense. Those are the key reasons why I ask the hon. Member for Cities of London and Westminster to withdraw the amendment.

Mr. Mark Field: Again, I thank my hon. Friend the Member for Windsor (Adam Afriyie) for his brief contribution. He added some interesting observations about likely fluctuations in the currency market that applied to part of the amendment.

9 pm

The Minister rightly notes that amendment No. 26 is at the crux of the concerns that we have tried to address. As he says, the exemption of SMEs from a requirement to apply transfer pricing should not be applied across the board where there is an issue of international control. Equally, it is fair to say that in some small subsidiaries of large international groups the issue of control may not be entirely straightforward. We could not necessarily deal with that in an amendment, but it will perhaps be explored in future years, as clearly much of the work that relates to the venture capital industry in various Finance Acts will be subject to continual change as that market matures.

We are concerned, for the reasons that we have set out, about the notion of the standard definition as produced by the European Commission. I accept, from the Minister's perspective, that there has to be some sort of threshold and that there are rightly tax treatments that make life easier for SMEs but perhaps not for all companies. None the less, it is a somewhat stark distinction, and the uncertainty that we have identified will need to be examined in future years.

There has been significant lobbying by the venture capital industry, which has expressed certain concerns, but we have had a chance to articulate them during the debate. On the basis of the replies that we have had, I hope that we will be able to return to this in due course, particularly if it is found that there are ongoing problems in the venture capital and private equity industries, which are so important to this country, and

that the Minister will be open-minded about that. With that in mind, I am happy at this juncture to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Mark Field: I beg to move amendment No. 20, in page 126, line 25, leave out paragraph 2.

The Second Deputy Chairman: With this it will be convenient to discuss the following amendments: No. 27, in page 127, line 26, leave out paragraph 3.

No. 30, in page 128, line 39, leave out sub-paragraph (3).

No. 34, in page 129, line 3, leave out 'or (3)'.

No. 33, in page 129, line 11, leave out 'or (3)'.

No. 31, in page 129, line 14, leave out sub-paragraph (6).

No. 32, in page 129, line 36, leave out 'or (3)'.

Mr. Field: Amendment No. 20 would render the entire previous debate redundant, as it seeks not to make any amendments at all to schedule 9 of the Finance Act 1996. It might have been easier had we had that debate initially.

Sufficient complications still surround collective investment schemes and plague the venture capital industry. We accept that changes to their tax treatment have largely come about as a result of fierce lobbying by those involved in the industry and many of those are to be welcomed. However, there is a strong view in the marketplace that some of the proposals concerning transfer pricing and loan relationships may reduce the number of private equity deals being done in the UK. As my hon. Friends the Members for Runnymede and Weybridge (Mr. Hammond) and for Chipping Barnet (Mrs. Villiers) said during the debate on the whole issue of transfer pricing, innovation, flexibility and commercial certainty must be the imperatives, and we fear that the Treasury's real motivation is to increase tax take to overcome an increasingly unmanageable black hole in finances.

As ever, it is the unintended consequences that we must ward against. In particular, the proposal to collect an increased share of tax, sooner rather than later, on a crude interest may reduce the volume of private equity deals in the UK. Ultimately, as is the difficulty with all such matters, we will not know the truth until it is too late. However, we are also convinced that there is a fear that the proposal will reduce the UK tax take and we need to remember that the venture capital industry does not invest only in tremendously successful industries and that its returns are by no means always the sure thing of tabloid legend. Indeed, private equity plays an important and full part in resuscitating—or at least attempting to resuscitate—ailing businesses. There is a genuine sense of foreboding that the plans might inadvertently boost the rate of business failures in the UK.

We support the current arrangement whereby tax is deductible from interest payments that are payable when the private equity investor sells the investment on. Such schemes will typically last four or five years. Some last for a shorter time but, as a rule of thumb, four or five years is a useful benchmark. The tax deductions for the interest charge arise when it accrues in the accounts, not when such interest is paid. It is clear from the Government's proposals that they regard that as something of a loophole, notwithstanding the established agreement between the venture capital industry and the Inland Revenue, which was brokered as recently as the Finance Act 2004. It covers a wider range of investment vehicles, which could lend to borrowers, and the borrower could still obtain a tax deduction for late paid interest.

Our concern is that the risk will have an adverse impact on the pricing of many private equity transactions, to the potential detriment of UK business. As the Financial Secretary understands, the private equity business is still, even by British standards, a fledgling business, but is emerging strongly in many other parts of the world. Ten years ago, Australia had no private equity business to speak of but is now a significant competitor.

It is very much a global market and we fear that the Government's proposal would restrict the borrowing company to claiming group relief against the profits of only a single year—the final year of the scheme. That may cause difficulties. If the interest deductions are all delayed until the interest is paid rather than eked out over the period of a scheme, there will be only one substantial tax deduction. Clearly, there is then a risk that the aggregate interest would be more than the overall profit in that final year.

We must always remember that the profitability of any company may be cyclical for a host of reasons for the duration of the scheme. Those reasons may go to the heart of the nature of the business. Perhaps the business is growing and looking to grow more, thus having less of a profit in the final year under venture capitalists. Profitability may also be cyclical simply for general economic reasons. If total interest exceeds profits in the final year, the borrowing company runs the risk of some its accrued interest payments having zero economic value, even when there can be no reasonable suggestion of the scheme having been created deliberately or artificially to avoid tax.

In practice, the excess interest deduction may prove hard to use and undermine the profitability of the proposed scheme. Our difficulty is that, if the profitability of a proposed scheme is undermined, in a global market for private equity, more deals will leave these shores. The probable result of that is a lower tax take. Nothing would be worse than trying to ensure a bigger slice of a much smaller cake. I appreciate that that is the perennial problem of Treasuries through the years.

The other amendments in the group are all consequential. I hope that the Financial Secretary will provide at least some guidance about our proposals and whether there is any way in which we can try to ensure that some of the more negative consequences to which I referred are put to bed.

John Healey: The hon. Gentleman is right to say that the private equity business is strong in the UK. Indeed, it is second only to that of the United States, but it is competing increasingly in a global market. We are clearly concerned about its health in the UK because it is an important part of funding, especially for many of our small and rapidly growing companies. However, I

[John Healey]

believe that some of the wider and dramatic impacts that some hon. Members claim that the schedule will have are hugely overstated.

To set the scene for discussion of the amendments, it is important that the Committee remember that the loan relationship rules, which are the corporation tax rules that tax interest paid and received by companies, operate by reference not to the interest paid or received in cash but to the amounts of interest shown as accrued in the company accounts. It has always been necessary, as I think the hon. Gentleman will well know, to have special rules to deal with cases where a company is deducting interest in its accounts in respect of loans from connected parties where there is a potential for the manipulation of lending and borrowing to shelter company profits from UK tax.

At the same time, it has always been recognised that such rules could bite harshly on smaller companies and on start-ups, particularly where there are close relationships with a relatively few venture capital providers. It is common for a lender in those circumstances also to take a small equity stake.

Adam Afriyie: Earlier today, I asked for quantitative evidence of some of the items that are being discussed. I ask for a rough idea of how many businesses will be affected by the measures contained in the provisions that we are discussing.

John Healey: I do not want to return to clause 11, which was being discussed when the hon. Gentleman asked his question. I do not know whether he will find my answer satisfactory. The principal purpose of clause 14 and schedule 8 is to anticipate the development of new avoidance arrangements. This is the answer to the hon. Member for Cities of London and Westminster (Mr. Field). By the scored amount in the current year for the revenue gain of the whole schedule, we are talking of only £5 million. Knowing what professional advisers are beginning to advise their clients, the point is to anticipate potential avoidance arrangements. Therefore, it is impossible to give the precise answer that hon. Members might wish for.

The loan relationship connected party rules have included exemptions to protect venture capital investment in company start-ups and in early stage expansion. The changes made in the Finance Act 2004 clarified how the exemption applied in the case of certain sorts of foreign venture capital providers but did not otherwise affect the scope of the exemption. However, it has become clear that the exemption can be used not only for venture capital investment in start-ups and in growth companies but also to facilitate private equity investment in management buy-outs of large, long-established and profitable companies, and not only the ailing companies that the hon. Member for Cities of London and Westminster was concerned about.

Amendments Nos. 20 and 27 would therefore undo the very purpose of the changes that we are introducing. They would mean that the exemption was not targeted on the growth companies and the start-ups for which it is intended. The benefits of the venture capital exemption would continue to be available for all private equity deals, management buy-outs and mature low-risk businesses with a steady and well-established cash flow, and would certainly be less risky than the growth businesses that we want to encourage.

The amendments would also allow the other avoidance opportunities that are closed down by paragraphs (2) and (3). I hope that on that basis the hon. Gentleman will consider withdrawing his amendments.

Mr. Mark Field: The Minister will be glad to know that the Opposition will withdraw the amendments. In part, they were probing amendments. It was important to have some discussion about whether small and medium-sized enterprise distinctions should be made at all within the context of the Minister's proposals.

We are rightly proud of the strength that the UK has in our private equity business. It is particularly important that that is maintained, not least given the strength of the two great economic superpowers of the future—China and India—and our links with those countries. Inevitably, there will be a significant role for a number of joint ventures. Much venture capital will find its way in various different guises either in the UK or beyond that. It is therefore important that the pre-eminence of our private equity business is seen to be maintained.

Clearly, the Opposition are being lobbied, just as the Government are lobbied, and, inevitably, the Armageddon and appalling outcomes that are sometimes presented can be exaggerated. Equally, my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) rightly articulated one of the Opposition's concerns when she referred to the notion of such overseas arrangements being somehow nefarious and having complicated structures, which is an inevitable part of that sort of transaction.

9.15 pm

I have some understanding that the Treasury wishes, as the Minister rightly puts it, to anticipate new avoidance arrangements. Inevitably, the best tax lawyers and tax structurers are likely to be one or two steps ahead of the game, so it is legitimate for the Revenue and the Treasury to try to have such an understanding. Certainly, it surprised me when the Minister said that the proposed revenue gain was as little as £5 million, which is very much small fry. None the less, one hopes that, if there is to be a genuine move towards anticipation of new avoidance arrangements, there will also be a recognition that it is wrong—we will no doubt discuss this in greater detail in Committee in the next two weeks—for any of this legislation to be retrospective or retroactive. If there is to be a policy from the Treasury to anticipate avoidance arrangements, surely it is part and parcel of that, and fair game, to ensure that retroactivity and retrospection is kept to an absolute minimum—nil from the Opposition's perspective.

We have had a reasonably amicable, albeit shortish debate on this matter. Again, the Liberal Democrats—the real opposition—have not sought to make any contribution, which is a matter of some surprise. Silence is golden—or perhaps orange.

We shall not press the matter to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the schedule be the Eighth schedule to the Bill.

Mr. Philip Hammond: This has been an interesting debate, if a little lopsided in its geometry around the schedule. I suppose that we can forgive Liberal Democrat Members—no doubt, over the next year or so, they will get their act—

The Second Deputy Chairman: Order. I am happy to allow a debate on this schedule being the eighth schedule to the Bill, but I hope that we will not cover any of the ground that we have already covered, as we have had an extensive debate.

Mr. Hammond: I am certain that you will guide me, Sir Michael, if I seem to be falling into that trap.

We are discussing an extension of the transfer pricing rules to cover loan relationships and the capture of a group of people who were not hitherto caught by schedule 28AA, which the Government clearly feel is a necessary measure, and which, in its current drafting, the venture capital and private equity industry sees as an attack on an established model that has operated within parameters agreed with the Inland Revenue over a not inconsiderable period. As I said earlier, a degree of concern exists about the way in which some of these measures have been badged as anti-avoidance.

When a change is announced by the Government to a treatment that was agreed in 1998, and which has been constantly reviewed by the industry and the Treasury since then, it is bound to lead to some concerns. I want to quote from a letter that the British Venture Capital Association sent to the Chancellor on 23 May. It wrote:

"The apparent change in policy by the Inland Revenue over the agreement we reached in 1998 about the application of transfer pricing to private equity limited partnerships is particularly unfortunate, not least because of the level of distrust this move has now introduced to the relationship between the industry and the Inland Revenue."

This is a widely drafted provision, extending existing transfer pricing rules and restricting a deduction that has been available for accrued interest and discount. It will affect the pricing of transactions.

A subject of concern that covers the whole schedule, including parts that have not been addressed in detail today, is the way in which it catches banks. We have certainly had that discussion, but I suggest to the Financial Secretary that in some circumstances the schedule could also catch corporate joint ventures, through what is effectively the disapplication of the 40:40 rules in paragraph 4 of schedule 28AA to the Income and Corporation Taxes Act 1988. The Minister spoke of seeking to level the playing field between partnerships and corporations. That measure will disadvantage corporate JVs and bring them—perhaps unintentionally—within the scope of the schedule.

Many private equity funds have for many years been structured as multiple parallel partnerships, for very good commercial reasons. Private equity houses will typically seek to ensure that in any fund that is investing, they have an appropriate identity of interest between investors in that fund. It might be done on a geographical basis: German investors might be collated in a fund that might then have a bias towards investing in German concerns. Ethical investment funds in the United States particularly, but increasingly in this country, have restrictions—for obvious reasons—on the types of investment that they are willing to make. Indeed, Sharia investment funds have such restrictions. It makes perfect sense for a fund to be structured as multiple parallel partnerships to try to ensure that investors can be grouped in an appropriate way—and, overarchingly, in a way that matches different classes of investors' appetite for risk with the opportunities that are available. Many of the investors in private equity concerns are quite risk-averse organisations, pension funds being the obvious example. As I hope we have established this evening, it is not the case that multiple partnership structures are all or mostly tax-driven. That is not to deny that some funds are using those structures to generate tax saving, as Conservative Members have clearly recognised.

This is a important industry for the United Kingdom. Private equity-backed companies generate £187 billion worth of sales and £23 billion of taxes every year. The industry in Britain is second only to that in the United States. It brings a huge dynamism to the economy, whether it backs growing businesses—the kind we all want to expand so that they can become larger, eventually perhaps going to the public markets for capital—or whether mature, sometimes ailing, businesses need the support of new capital funds and the close attention that private equity houses can often provide.

The breaking of that 1998 consensus between the Revenue and the industry without prior consultation and with retrospective effect—I shall have something to say about the retrospective effect and the timing of implementation provisions in proposed new sub-paragraph (4) in a moment—has in itself seriously damaged the UK's attractiveness as a location for private equity and venture capital houses, and, indeed, its attractiveness as a destination for investments by those funds, wherever they are based.

Of course, although the Government have approached this as a tax-avoidance loophole-closing measure, some of the loopholes are rather small—more like the eyes of needles, to judge by what the Minister was saying earlier. The real danger is that the end result could be less tax, through less private equity investment and less business generated in this country, and more business failures and job losses as companies that might have been rescued and turned around by private equity funds are left to their fate. There is no doubt that uncertainty will be created in straightforward and established transactions. Mezzanine debt, with or without equity warrants attached—which, ironically, is intended to reduce the tax-reducing interest chargeable—could now become a less attractive instrument because of the doubt surrounding its treatment.

One issue that has not been touched on so far this evening is the relative attractiveness and complexity of shareholder debt financing, which is an important part of the private equity deal. Typically, private equity houses are burdened with large funds—if one can imagine such a thing—that they need to invest. Such funds often exceed their capacity to make equity

[Mr. Hammond]

investments, and a standard technique that they employ is to provide part of the debt financing required in the package as shareholder debt financing.

Until now, most people felt it reasonably easy to price shareholder debt financing. However, such financing will now be brought within the transfer pricing rules through the application of proposed new paragraph 4A, and such people will be required to show that the debt has been priced at arm's length. That will be much more difficult than might be thought, because most comparable transactions that would form the basis for demonstrating to the Revenue that the pricing of an arrangement is arm's length will be caught within the new rules. Therefore, no clear and substantial body of shareholder debt financing will exist that falls outside proposed new paragraph 4A. That in itself will create uncertainty and it will undoubtedly make shareholder debt financing a less attractive instrument.

As we have already heard this evening, there is doubt surrounding the status of leading banks where another division of the same bank might be involved as an equity investor in the private equity house. There are also concerns about the workability of the small and medium-sized enterprise exception at paragraphs 2(3) and 3(6). As my hon. Friend the Member for Cities of London and Westminster (Mr. Field) set out clearly, there is a real fear that, despite the best intentions of Her Majesty's Revenue and Customs, very few private equity groups will in fact qualify as SMEs and thus gain exemption from the schedule's timing of interest provisions. We still do not understand the need to eliminate double counting provisions, as provided for in sub-paragraph (5), but we accept that the Minister is engaged in an ongoing voyage of discovery in this regard. We hope to hear from him in due course.

The changes to the rules on the timing of interest payments where there is a loan relationship is a specific problem for the private equity model. It presents the very real possibility of deductions becoming available only at the exit point, typically after four or five years when the private equity investor exits. There is a real danger that the accrued interest deductions will, by that stage, be so large as to be incapable of being used up in year, and thus are likely to become unrelievable because there will not be sufficient non-trading income in the vehicle to offset the loss during the year. Trapped losses will be delivered, which is bound to have an effect on the pricing of a private equity deal, and they will not have been priced into the deals that have already been done.

9.30 pm

The Revenue says that about £20 million is at stake in respect of changes to the rules on the timing of interest deductions. The industry, as the Financial Secretary knows, believes that as much as £1 billion of loss deduction is at stake, so there is a huge gap between what the industry perceives and what the Government perceive. It is a shame that there appears to have been no opportunity for the two sides to get together in order to understand each other's point of view or for the Government to create some reassurance. There is a very uncertain position and genuine concern within the industry that the deductions will be disallowed on a much greater scale than envisaged by the Government.

I hope that the Financial Secretary will respond to this short debate, as I would like to put this question to him. Given that the interest deduction is allowed only when arm's-length terms are in place, is there any need for special treatment of shareholder debt? I see no such need, and we have already asserted that paragraphs (2) and (3) have no necessary place in the armoury that the Government are seeking to create. They already have the weapons to deal with shareholder debt that is not priced at arm's length. The other point that arises from the changes made in those paragraphs, I am told by the experts, is that we are likely to see zero coupon notes disappearing as a financing mechanism as a result of the difficulty of showing that they have been priced at arm's length.

All that is interfering with a private equity funding model that works; that has been shown to work over a number of years; that has delivered for the UK economy by financing hundreds, perhaps thousands, of businesses throughout the country, as well as fuelling a vibrant sector of the financial economy itself; and that has been agreed on and run for many years with the full understanding and acquiescence of the Inland Revenue. The Government are taking an extremely dangerous step in unravelling that long-agreed model.

It is not clear why persons caught by the extension of the rules in paragraph 2(2)(b), (c) and (d) are not subjected to the benefit of the grandfathering provisions in paragraph 4(3). That sub-paragraph provides a grandfathering provision for many of the caught transactions, but it excludes those falling within the scope of schedule 28AA under those sub-paragraphs of paragraph 2. Interest on loans made by such persons—those who are not entitled to the benefit of the grandfathering provisions—will be subject to the late interest rules from 4 March 2005, not 1 April 2007. It is not clear to us why that sub-class of investor should be disadvantaged in that way.

There is also confusion about the wording of paragraph 4(3)(b). The debtor relationships to which transitional provisions apply are those entered into before 4 March 2005 and

"not varied after that date".

That seems fairly straightforward—but the line goes on to say:

"or not varied until after that date".

I do not pretend to the Committee for a moment that we have dreamed up this query ourselves, but I can tell the Financial Secretary that some of the sharpest minds in the specialist tax advisory sector do not know whether the two phrases in the line

"not varied after that date, or not varied until after that date"

together effectively embrace everything, as would appear on a plain English reading of the text, or whether they are intended to mean something else. Can he tell us whether those two phrases together cover all existing loan relationships? Is that the intention, and if so, could it be stated a little more clearly? I am sure that the industry would be pleased if it could.

There is an issue of retrospection with all the provisions in the schedule. Deals in the sector are typically done on the basis of cash-flow projections, which will have been built by factoring in an interest deduction, and assuming that a lower rate of

corporation tax would be payable in the early years. As the Minister will know, when we consider the discounted cash flow of a business forward, the exact time when the deduction comes and the cash hit is taken is very significant. Moving it forward from the fourth or fifth year to the current year, by not allowing the deduction to be taken until exit, is potentially very significant—and that has been done without warning or consultation. The impact will fall on private equity businesses. Their liability to pay the interest will not change, but they will not get the corporation tax deduction that they have factored into their cash-flow projections. They will have to make the interest payment provided for by contract, and also make a corporation tax cash payment that in their business model and their cash flow forward they will have assumed would not have to be made at that time.

Has the Treasury really looked at the case for a permanent exclusion of all pre-March 2005 debt, so that there will not be that element of retrospection and transactions that have already been priced and contracted for, where a loan relationship already exists, will be allowed to run their natural course? In the case of a private equity financing, that would typically be only four or five years; most private equity financiers would be unhappy if they were not out by the end of five years.

That brings me to another important point—a very different point, but germane to the Government's assessment of the overall impact of the schedule. I am thinking about the joined-up government approach, and about considering not just what the measure will do for the Treasury's revenues and what it will do to the industry, but its relationship with other Government policies and initiatives.

Schedule 8 will have an impact on the private finance initiative. The financing of PFI deals tends to be structured in a similar way to private equity deals. There are good commercial reasons why PFI deals are structured in that way, and they are known by, and have been structured to benefit, the public sector. The PFI industry is aware that clause 40 and schedule 8 are intended for the private equity industry, but there is a concern—I am sure that the Treasury is aware of it—that a blanket application of the new rules would prejudice providers of PFI and push up the cost to the public sector. I know that Labour Back Benchers are deeply concerned about that possibility.

A particular concern is that it is rare that profits are extracted from PFI contracts by investors without being subject to UK tax in their hands. The removal of a corresponding adjustment in the proposed legislation at paragraph (1)(5) will affect investors in PFI contracts that are caught by the new legislation, given that the investors in PFI contracts are nearly always subject to UK corporation tax. That will make PFI deals less attractive as an investment and will potentially make existing PFI contracts loss-making, which would hardly send the message that the Government would want to the industry as a whole, given the central role that PFI plays in their financing strategy and in enabling them to maintain their desired levels of public investment without breaching the Chancellor's sustainable investment rules.

As all members of the Committee will be aware, PFI contracts tend to run for much longer terms than private equity deals, so any change of the rules in respect of existing deals—unwelcome as it will be to private equity financiers—will wash out within four or five years maximum, because that is the maximum length of time that private equity investors expect to be in an investment. However, any application of the new rules to PFI would affect those contracts disproportionately, as the impact would be felt for a much longer period—10, 20 and 25 years are not atypical—and the net present value effect of rule changes that impact on the cash return over 20 years would be significant, as the Financial Secretary will be the first to grasp.

In addition to the impact on existing contracts and in the absence of certainty about how PFI contracts will be caught in a net that was, admittedly, cast for a different purpose—to deal with private equity financing—new PFI contracts will surely be priced by providers on the assumption that these rules will apply. Such a move could make PFI more expensive for the public sector at a time when the pressure is on to try to make PFI deals less expensive. Indeed, given the general interest rate climate, one could probably expect that PFI deals would become generally less expensive, if not for these changes, which I might characterise as a potential own goal.

It is imperative that the Government—perhaps the Financial Secretary will do so in his response—confirm that the new rules are not intended to affect PFI contracts. Existing rules can be used to deal with perceived abuses—for example, the Revenue's response already delivered to the proposed refinancing of older PFI contracts, which would be perfectly sensible commercial transactions. Applying the new rules would have an adverse impact on the public sector via higher costs and by making PFI less attractive as an investment, hence reducing competition for PFI projects and increasing the cost to the public sector.

9.45 pm

Throughout our consideration of the schedule and our amendments, we have tried to narrow the Government's focus and to get back to the intended core purpose. Indeed, we should like to get the Government to state exactly what target they are trying to hit, so that people fretting needlessly that they will be inadvertently caught hear a clear message from a qualified Government spokesman that it is not the Government's intention to allow them inadvertently to be damaged by measures proposed for a quite different purpose. For example, banks lending mezzanine finance need reassurance that they, or the companies to which they have lent, will not be involved in complex discussions with the Revenue that might lead to a loss of deductibility of interest, which in turn could lead to a reduction in the viability of the business in which the bank has invested and thus a reduction in the security against which the bank thought it was investing.

Widespread concern has been expressed in the industry about the lack of consultation. There is widespread concern, too, about the way that the measures were badged as anti-avoidance provisions, implying that people in the industry who pride themselves on having stuck to a model agreed with the Revenue have in fact been doing something untoward.

[Mr. Hammond]

I shall quote again from the letter to the Chancellor from the chief executive of the British Venture Capital Association of 23 May, two days before the Bill was published. He says:

"These proposals, if given effect, would seriously damage this industry and in our judgement could well be a deterrent to private equity to continue to increase its investment in the UK. This cannot be an outcome you either intended or would welcome."

I certainly hope that it is not the outcome the Government intended, but with all that well-informed warning floating around, of which the Treasury is well aware, the Opposition must insist that the Government reconsider the matter and address the concerns that are being expressed.

There will be deferment until 2007 in several areas as a result of paragraph 4, so the need may not be as pressing as the Government have suggested—the abuse at which the rule changes is aimed is not as widespread as the Treasury may fear. The real impact of the sudden introduction of that new regime will be on deals in progress, under discussion or being negotiated when it is announced. Uncertainty as to the need for review of those arrangements and uncertainty as to what will be deemed to constitute an arm's-length consideration in proposals currently being negotiated will inevitably lead to private equity deals currently under negotiation being priced up to reflect that uncertainty. That is bound to be bad for business.

I suggest to the Financial Secretary that the sensible thing would be to leave the schedule out of the Bill—not to abandon it nor to give up on the intention behind it. In his press release, he has already signalled that 2 March will be his start date so that is clearly on the record for everybody to see. By pulling the schedule from the Bill, the Financial Secretary would have an opportunity to reconsider both the principle behind the measures being introduced and the detailed drafting. He would have an opportunity properly to consult the industry and users of private equity finance. He would have an opportunity to undertake a proper study of the likely impact of these measures and he could come back in next year's Finance Bill and present us with a much more tightly drafted proposal to tighten up schedule 28AA to the Income and Corporation Taxes Act 1988 and schedule 9 to the Finance Act 1996. I am sure that the Committee would be delighted to give a fair wind to that.

Many concerns from many responsible and reputable sources have been voiced through us tonight. If the Financial Secretary does not want to listen to our concerns, he must at least be cognisant of the need to listen to the concerns of those responsible and reputable observers in the business world, the City and elsewhere. I know that they have been briefing him as they have been briefing us.

Little will be lost by leaving the schedule out for another year. Even at this late stage, I urge the Financial Secretary to take that opportunity.

John Healey: We have had an extensive debate on the schedule, and the hon. Gentleman has made an extensive speech. I shall try not to retread old ground.

Either deliberately or unwittingly, the hon. Gentleman has conflated the application of existing transfer pricing rules with the extension of those rules to specific areas in the clause. The transfer pricing rules are established; they are essential; they are accepted; and they protect huge amounts of revenue to the public purse. They have been in existence for more than 50 years, and they have applied to partnerships for years. The Bill extends the rules to specified areas to which they do not currently apply. The changes apply only from 4 March 2005, which is when the changes were announced. The clause and the schedule do not apply retrospectively.

The hon. Gentleman talks about the venture capital industry being badged as an avoidance industry. Let me make it clear again that the Bill and the schedule are about the extension of transfer pricing rules. In fact, the letter that he quoted from the British Venture Capital Association makes it clear that its argument is about the application of existing transfer pricing rules.

There is a process for settling all disputes about the application or operation of tax rules. Her Majesty's Revenue and Customs applies and manages the operation of the tax system, and taxpayers have a right to contest the way that it does that. The legal system will settle matters of fact. There is a dispute about the enforcement of the existing rules, but it is not relevant to the Bill, which is about the extension, not the application, of transfer pricing rules. It is about their extension to syndicates in which companies are owned by more than one equity partnership, which means that they are, at the moment, able to get tax deductions beyond the rules. It is about heading off the fragmentation of ownership to get around those rules and dealing with what we now see as advice from professional advisers about how to do just that.

We are not in any way suggesting in the Bill that all private equity finance is somehow based on tax avoidance, but we are aware of professional advisers promoting opportunities for structuring ownership and financing of companies to get around existing rules. The purpose of the schedule and the clause that enables it is to protect likely future revenue loss. The hon. Gentleman therefore needs to understand that any suggestion that the cost to the private equity industry will be £1 billion or more is hugely wide of the mark. That could be the case only if the rules disallowed all the interest costs arising from private equity deals, and the rules will not do that. Companies will still be able to obtain tax deductions for interest on debt finance up to the arm's-length amount, and we have had a detailed discussion about that.

The hon. Gentleman mentioned the private finance initiative for the first time today. Let me make it clear that no changes are being made to the existing transfer pricing rules that apply to many PFI deals. We do not expect the changes to have any effect on PFI funding and there is no evidence of any impact on PFI deals since the changes were announced in March. The changes close loopholes to prevent companies from restructuring to get around the existing rules. They do not alter the way in which the existing rules apply to companies involved in PFI deals or other companies. The hon. Gentleman might like to know that HMRC has had discussions with PFI representatives, who I understand have been reassured. However, I am happy to hear of any further concerns that they may have.

In summary, the purpose of the changes is to make the tax treatment of company finances fair for all companies, regardless of their ownership or financing structures. The changes introduced by the schedule will ensure that there is a coherent and consistent set of tax rules for companies with different ownership structures, including, albeit not exclusively, companies controlled by private equity investors. The new rules are in line with those of our major competitors, such as Germany and the USA. They will sustain the UK's position as an attractive location for international investment, and I commend the schedule to the Committee.

Question put, That the schedule be the Eighth schedule to the Bill:—

The Committee proceeded to a Division.

The Second Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 333, Noes 157.

Division No. 11] **[9.56 pm**

AYES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Danny Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
John Barrett
Mr. Barron
John Battle
Miss Begg
Sir Stuart Bell
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Mr. Jeremy Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Sir Menzies Campbell
Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Ben Chapman
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Ann Clwyd
Ann Coffey
Harry Cohen
Michael Connarty
Rosie Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Mrs. Dunwoody
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Lynne Featherstone
Mr. Frank Field
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Julia Goldsworthy
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Ms Harman
Mr. Tom Harris
Nick Harvey
Mr. Havard
John Healey
Mr. Heath
John Hemming
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Paul Holmes
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. Horwood
Stewart Hosie
David Howarth
Mr. George Howarth
Mr. Hoyle
Beverley Hughes
Chris Huhne
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mr. Ingram
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Alan Johnson
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Killoyle
Jim Knight
Susan Kramer
Dr. Kumar
Dr. Ladyman
Norman Lamb
Mr. Lammy
Mr. Laws
Mr. Laxton
Mark Lazarowicz
Mr. Leech
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Llwyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
John McDonnell
Mr. McFadden
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. David Miliband
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oliver
Lembit Öpik
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Mr. Prescott
Adam Price
Gwyn Prosser
Dr. Pugh
Mr. Purchase
James Purnell

Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
Angus Robertson
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Paul Rowen
Mr. Roy
Joan Ruddock
Bob Russell
Christine Russell
Joan Ryan
Martin Salter
Mr. Sanders
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Alan Simpson
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Sir Robert Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Graham Stringer
Ms Gisela Stuart
Andrew Stunell
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Sarah Teather
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Mr. Watts
Steve Webb
Mr. Weir
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Winnick
Ms Rosie Winterton
Pete Wishart
Mike Wood
Mr. Woolas
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt
Richard Younger-Ross

Tellers for the Ayes:
Mr. Vernon Coaker and Kevin Brennan

NOES

Adam Afriyie
Mr. Peter Ainsworth
Mr. Amess
Mr. Ancram
Mr. Atkinson
Mr. Bacon
Tony Baldry
Gregory Barker
Mr. Baron
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Boswell
Mr. Brazier
James Brokenshire
Angela Browning
Mr. Burrowes
Alistair Burt
Sir John Butterfill
Mr. Cameron
Mr. Carswell
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
David T.C. Davies *(Monmouth)*
Philip Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mrs. Dorries
James Duddridge
Mr. Duncan Smith
Mr. Ellwood
Mr. Evennett
Mr. Fallon
Mr. Mark Field
Mr. Forth
Dr. Fox
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gauke
Mr. Gibb
Mrs. Gillan
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Chris Grayling
Damian Green
Justine Greening
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Hayes
Mr. Heathcoat-Amory
Charles Hendry
Mr. Herbert
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Mr. Horam
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Robert Key
Miss Kirkbride
Mr. Greg Knight
Mrs. Lait
Mr. Lancaster
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Maples
Mr. Maude
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Mark Pritchard
Mr. Redwood
Mr. Robathan
Hugh Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Andrew Rosindell
Andrew Selous
Grant Shapps
Mr. Shepherd
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Swayne
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Mr. Ian Taylor
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Mrs. Villiers
Mr. Wallace
Mr. Waterson
Angela Watkinson
Mr. Whittingdale
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Mr. Rob Wilson
Ann Winterton
Jeremy Wright
Sir George Young

Tellers for the Noes:
Mr. David Ruffley and Michael Fabricant

Question accordingly agreed to.

Schedule 8 agreed to.

Clause 43

IMPLEMENTATION OF THE AMENDED PARENT/SUBSIDIARY DIRECTIVE

Question proposed, That the clause stand part of the Bill.

Mr. Spring: The clause amends the European Commission parent/subsidiary directive and is purely technical. It provides for profits distributed by an EU subsidiary to its parent to be exempt from withholding tax. The Verkooijen case at the European Court of Justice involved a Dutch taxpayer winning the argument that dividends from a Belgian company should be taxed in the same manner as dividends from Dutch companies. The current UK tax regime exempts UK dividends but taxes overseas dividends, and the ECJ

would almost certainly view it as discriminatory. Will the Financial Secretary consider whether that change in the legislation is irrelevant, because the main legislation to which it relates will be struck out under ECJ principles?

10.15 pm

John Healey: Clause 43 makes a minor technical change to the rules on double taxation relief to ensure consistency between those rules and the recently amended EU parent-subsidiary directive. *[Interruption.]*

The Second Deputy Chairman: Order. Perhaps those hon. Members who are not going to take part in the debate will leave the Chamber to those who are.

John Healey: We announced our intention to make that minor change on 31 January, when we published the draft of what is now clause 43. Since that date, neither the Government nor HM Revenue and Customs have received a single representation or query on the provisions, which is unsurprising because the provisions will make little difference in practice. If the hon. Gentleman is concerned—nobody else appears to be—I will be happy to write to him. Any companies affected by the change can only benefit from it, and it will provide business with a degree of certainty to ensure that there is consistency between the UK's double taxation relief rules and the amended parent-subsidiary directive.

Mr. Spring: We must know more about the importance of the ECJ to the application of UK law, because examples now exist in case law. I accept that clause 43 makes a technical change, but I ask the Financial Secretary to examine the subject and to let me know his view.

Question put and agreed to.

Clause 43 ordered to stand part of the Bill.

Clause 44

TERRITORIES WITH A LOWER LEVEL OF TAXATION: REDUCTION OF AMOUNT OF LOCAL TAX

Mr. Spring: I beg to move amendment No. 4, in page 35, line 37, at end insert—

'(1A) In subsection (1), omit "outside the United Kingdom" and insert "outside the European Union".'.

The Second Deputy Chairman: With this it will be convenient to discuss amendment No. 5, in page 36, line 7, after 'account', insert 'in any accounting period'.

Mr. Spring: Amendment No. 1 focuses on the fact that certain cases in the ECJ mean that various provisions of UK tax law may be overridden. Up to £20 billion is estimated to be at stake for this country in relation to ECJ cases, and we want to know what provision the Government have made for that in their accounts.

Amendment No. 2 relates to the anti-avoidance measure in clause 44, which is part of the controlled foreign companies anti-tax haven rules.

The Second Deputy Chairman: Order. The hon. Gentleman has referred to amendments Nos. 1 and 2 in his opening remarks, but we are dealing with amendments Nos. 4 and 5. Perhaps he will correct himself.

Mr. Spring: The measure is partially retrospective. [HON. MEMBERS: "Which amendment?"] I am discussing amendment No. 5. The anti-avoidance measure in clause 44 applies to accounting periods beginning on or after 2 December 2004, and it catches income and profits arising after 1 January 2005 for most groups. The 2 December date has been included to prevent the implementation of certain avoidance structures, but clause 44 is widely drafted and may catch certain transactions because of general differences between tax regimes on when they tax specific items of income and expenditure. We want to tighten the definition because the controlled foreign company tests—the CFC tests—are applied annually. Proposed new subsection (1A) requires the adjustment to be made in respect of that particular accounting period, and it does not take into account the fact that the very same income or expenditure may fall into the charge to tax in a later period.

CFC rules apply where an overseas subsidiary of a UK company is subject to a 25 per cent. lower rate of tax than the UK charge and does not meet any of the exemptions from the CFC rules. A tax rate 25 per cent. lower than the UK tax rate is determined by computing the taxable profits of the CFC under UK tax law principles. At the heart of this issue is the fact that the clause prevents tax planning whereby income that is not taxed in the UK is taxed overseas to inflate artificially the rate of overseas tax to get above the limit. These structures normally work so that the post-tax profit stays the same, increases or reduces marginally, while the pre-tax profits and tax charge overseas are increased by roughly the same amount.

The amendment would limit the effect of the clause. Many items are taxed in the UK in a different accounting period from that in which they would be taxed in an overseas jurisdiction. For example, unrealised loss on a bond would not be tax deductible until it became a realised loss in territories such as Belgium, the Netherlands or the Channel Islands, but would be deductible in determining the comparable UK tax bill on those profits. These rules would impact on tax deductions for capital allowances and tax depreciation. It should be noted that that will cause a problem, as virtually all other major countries give tax relief for capital expenditure over a shorter period than does the United Kingdom.

There are other areas where the timing of tax treatment differs between countries. With certain exceptions, interest on bank loans in the UK is deductible when it accrues. Typically, in the UK interest income is taxed when accrued and elsewhere it is taxed when received, as in Ireland and Poland. Amounts due to be paid for genuine services to connected parties are often taxed or tax deductible when paid. For example, Estonia does not tax profits until they are distributed. For income taxable in the overseas calculation in the period, but in the UK in an earlier or later period, the Bill as drafted would mean that the overseas tax bill was deemed to be reduced by the local tax suffered on that

[Mr. Spring]

income when seeking to determine whether the overseas tax charge was 25 per cent. lower than the corresponding UK charge. If the overseas tax charge was less, the quantum of UK tax that would then be levied on the direct UK parent would be increased, hence increasing the UK tax levied on that UK parent without there being a corresponding adjustment in the period when the position reversed.

Knitting that together, it is possible that the European Court of Justice may rule that the CFC rules cannot be used to impose a tax charge on UK companies based on the profits of subsidiaries located elsewhere in the European Union—*[Interruption.]*

The Second Deputy Chairman: Order. Conversations are breaking out throughout the House. The House must listen to the hon. Gentleman who is addressing us.

Mr. Spring: Cadbury Schweppes, for example, is taking the test case for the group litigation order on this point. I hope that the Minister will make some reference to that, as the implications for the Government and the Revenue seem on the face of it to be very serious indeed.

Under the current trend in corporation tax, companies paying tax at the standard rate in certain EU countries—including Ireland, Poland, Slovakia, Estonia, Latvia and Lithuania—could, subject to the ECJ, be CFCs. I should also mention the general global trend in falling corporation tax rates. Denmark and the Netherlands recently made announcements that will cause their corporation tax rate to fall below the UK rate, which is now running at 30 per cent. That is hugely different from countries such as Latvia, Lithuania and others, where it is down to percentages in the middle teens. Virtually all the countries of the European Union are bringing down their overall corporation tax rates.

The implications for the Bill are serious. How much tax is at stake on the Cadbury Schweppes and ECJ cases? Given that, in most cases, the tax has been paid by the taxpayer to the Inland Revenue, what is the estimated refund of tax and accompanying interest? How do the Government propose to fund that additional black hole?

Those points are important because they relate to the competitiveness and sustainability of our businesses in the UK. Increasingly, our corporation tax rate and other tax burdens make us less and less competitive. They are now being subjected to challenges elsewhere. The implications make it necessary for the Committee to hear from the Financial Secretary, in view of our amendments, how the Government answer those points.

Adam Price (Carmarthen, East and Dinefwr) (PC): Amendment No. 4 gives us an opportunity to raise the general issue of the benefits of fiscal competition. As I understand it, the amendment would at least facilitate some tax competition in the European Union, and I am therefore glad to support it in the name of my party.

I believe that a general premise behind Government policy is that all tax competition is harmful. I contest that, because it can have a beneficial effect as a catalyst for economic growth. When used judiciously, it can increase social and economic cohesion in the European Union by supporting economic development in less favoured nations and regions. I understand what inspires the Government's approach—it could be described as financial protectionism to protect the tax revenue base. However, in view of the Government's wider policy of promoting economic reform and development in the European Union, it is important to qualify the approach with some understanding of the benefits of tax competition.

Plenty of evidence shows that tax competition works. Lord Desai has produced an extensive paper, which shows the evidential basis for fiscal competition, including US companies' profit rates across a wide range of tax jurisdictions. Let us consider Ireland, which was the sick man of Europe 20 years ago. It cut corporation tax from 50 per cent. to the current 12.5 per cent., as well as capital gains tax. Consequently, in the late 1990s and the early part of this century, it achieved incredible rates of economic growth, averaging approximately 10 per cent.

There is therefore a role for fiscal competition, and I do not believe that we should close that off to the European Union, especially new member states, which are cutting corporation tax. Poland is cutting corporation tax from 27 per cent. to 19 per cent. Hungary is cutting it to 16 per cent. Latvia, the Czech Republic and Slovakia are also following that route. Surely the Government should encourage a judicious use of fiscal competition on the part of less favoured nations and regions in the European Union. For example, the Basque country uses such a facility. Within Spain, corporation tax is devolved in the case of the Basque country and Navarre. We would like that policy to be adopted in Wales and Scotland. I know that the Northern Irish parties also support that.

John Bercow: The case for tax competition is indeed compelling. However, let me put it politely and in a spirit of good will to the hon. Gentleman that one does not need to refer to Lord Desai to be persuaded of the cogency of that argument. The thesis in support of capitalist competition has been argued persuasively and for a long time by the Conservative and Unionist party.

Adam Price: Does the Conservative and Unionist party support our proposal to devolve corporation tax, so that we can reduce the tax in Northern Ireland, Scotland and Wales?

10.30 pm

John Bercow: I put it to the hon. Gentleman that there is one important difference between his party and mine. His party believes in the break-up of the United Kingdom and my party believes in its retention.

The Second Deputy Chairman: Order. I suggest that the hon. Gentleman does not allow himself to be led down that line of argument.

Adam Price: I am grateful for that form of protectionism, Sir Michael. I think that I will draw my comments to a crescendo. I thank you, Sir Michael, for your support.

It would be interesting if the Minister could give us a little more information about the committee of tax experts that the Government have said they will institute

in response to a number of cases—not only the Cadbury-Schweppes case—that are before the European Court of Justice. The likelihood is that the Government will lose the case and that the legislation on controlled foreign companies will be struck down by the court. What are the terms of reference for the committee that the Government will institute as part of its presidency? Obviously there can be wide-ranging implications for Government policy.

John Healey: More than 20 countries have adopted controlled foreign company legislation, including nine European Union member states. The CFC rules stop UK companies avoiding UK tax by diverting profits to low-taxed foreign subsidiaries. Some groups have artificially provided their subsidiaries with certain types of income. Others have arranged for subsidiaries to have an apparently high rate of tax to be repaid to a different group member. Thus the company appears to have paid a high level of tax when in reality it has done no such thing. All such devices are designed to distort the application of the lower-level-of-taxation test. The clause amends the operation of the test to prevent artificial distortions. It contains a timing rule to prevent CFCs from manipulating their accounting periods to defer the application of this legislation.

The hon. Member for West Suffolk (Mr. Spring) raised the case of Cadbury Schweppes. We do not believe that the operation of our CFC rules breaches the European treaty. As in other aspects of the corporation tax system, we will strongly defend our system against challenges under EU law. I trust that we would have support from the Opposition for so doing.

The Cadbury Schweppes case has not yet even been heard by the European Court of Justice. It is pointless to speculate now about the outcome or the potential costs.

Adam Price: Is there not a preliminary opinion by the Advocate-General that the CFC rules breach the treaty and the legislation?

John Healey: The hon. Gentleman follows these matters closely enough to know that the Advocate-General's opinion is not always followed by the European Court of Justice. It is the judgment of the court that counts. The court cannot come to its view or its verdict until it has heard the case, which it has not yet done. I was interested to hear the hon. Member for Carmarthen, East and Dinefwr (Adam Price) make common cause with the Conservatives. Anyway, he asked a specific question, the answer to which is that in response to a specific request by Germany that the impact of ECJ decisions on member states' finances is discussed by ECOFIN, the ECOFIN meeting on 7 June agreed that our presidency in the latter part of this year should host an informal high-level discussion among member states, and we are happy to do that. I cannot agree with either of the amendments tabled by the hon. Gentleman—one would lead to the CFC rules becoming inoperable, while the other would allow the precise manipulation of the rules that we are seeking to counter to continue. I urge my hon. Friends to resist the amendments if they are put to the vote.

Mr. Spring: I am afraid that I do not follow what the Minister is saying. He says that the CFC rules would be inoperable, and that that is why he has rejected the amendment—

Stephen Pound (Ealing, North) (Lab): I think.

Mr. Spring: The hon. Gentleman says, "I think". Perhaps he would like to explain the rules. The hon. Gentleman has no answer, and apparently neither does the Minister. Will he explain in what way the amendment is inoperable in terms of CFC rules?

Clearly, the Minister will not give us an answer. Perhaps that is symptomatic of much of what has gone on. I was very interested in the comments of the hon. Member for Carmarthen, East and Dinefwr (Adam Price) about tax harmonisation and the culture prevailing in the European Union. I accept what the Minister said about the CFC rules being there to avoid tax by securing profits in low-tax countries, which I understand, and he reassured us that that does not breach European treaties. We shall see what happens with the Cadbury Schweppes case, which is very important.

Obviously, the amendments are probing, and although the result of our probing has not been wholly satisfactory, I hope that the Minister will consider our points. We are in new territory, in a sense, with European Court of Justice rulings, and with the tax implications of the ever-lower corporate tax burdens in other parts of the European Union and not in our country.

Question put and negatived.

Clause 44 ordered to stand part of the Bill.

Clause 69

ABOLITION OF STATUTORY ADJUDICATOR FOR NATIONAL SAVINGS AND INVESTMENTS

Mr. Francois: I beg to move amendment No. 37, in page 58, line 38, at end insert—

'(1A) After the coming into force of this section, any dispute of the nature referred to in subsection (1) shall be dealt with under the compulsory jurisdiction rules within the meaning and operation of section 226 of the Financial Services and Markets Act 2000 (c. 8) (compulsory jurisdiction of the financial ombudsman service).'.

The Government's intention in clause 69 is to abolish the bespoke complaints service for National Savings and Investments, the so-called statutory adjudicator, and to transfer the responsibility to the voluntary jurisdiction of the Financial Ombudsman Service. In essence, our amendment would alter that to the compulsory jurisdiction of the ombudsman under the auspices of the Financial Services and Markets Act 2000. Although clause 69 is one of the shortest clauses in the Bill, that is an important change nevertheless.

As a body, National Savings and Investments accounts for a considerable amount of public savings outside of property and the pensions sector. According to the latest estimate from National Savings and Investments, which I obtained today to get the most up-to-date figure possible, it currently has some £68.7 billion under management. That includes a variety of products, of which some of the best known to

[Mr. Francois]

Members of the House and the public would be premium bonds, national savings certificates and income bonds. A rough breakdown is as follows: £26.8 billion is currently invested with National Savings and Investments in premium bonds, which is a very considerable amount of money; £17.1 billion is invested in national savings certificates; and some £7.6 billion is invested in income bonds. Moreover, given the nature of National Savings and Investments business, the vast bulk is held by private individuals rather than by financial institutions, pension funds or banks. *[Interruption.]* The Minister says from a sedentary position that that is what worries him. I think that in some ways the change in regulation worries us too.

Several million people hold these products, so the change potentially affects a considerable number of the constituents of every Member. It is right and proper for those people to be given an adequate level of protection for their money, not least because they are effectively lending it to the Government. The Government undoubtedly need that money. Given the present fiscal position, it seems likely that the Treasury will become even more reliant on National Savings and Investments over the next few years, not least as a device with which to seek to ameliorate the effects of the Chancellor's burgeoning black hole in the public finances. A host of independent economic commentators—*[Interruption.]* Ah, Labour Members have woken up. The Organisation for Economic Co-operation and Development, the International Monetary Fund, the National Institute of Economic and Social Research and the ITEM Club all agree that the Chancellor now has a structural deficit of between £8 billion and £12 billion in the public finances. Furthermore, the situation is deteriorating rather than improving.

The Chancellor increasingly needs the money provided by National Savings and Investments because the projections for the deficit have increased by some £6 billion since the last Budget alone. He is now projected to run an overall Budget deficit of some £34 billion this year. Over the next five years combined, that amounts to a massive £168 billion of expenditure over revenue, even if we do not include all the off-balance sheet debt of which we heard earlier this evening.

The Government are therefore likely to look increasingly at National Savings and Investments to try and help shore up the public finances, which all the economic commentators agree are in trouble. Let me give just one example of what National Savings and Investments is trying to do. The limit on premium bonds that can be held by a single individual has been increased from £20,000 to £30,000 to encourage extra purchases, although the odds on winning the £1 million jackpot have been reduced. Over the last three years, the amounts invested in premium bonds have increased fairly significantly. In May 2003, £20.9 billion was invested in them; today, the figure is £26.8 billion. That is a significant increase over three years, given that the product has been running for decades. The drive for extra investment by National Savings and Investments on behalf of the Government is clearly already well under way. I think we can agree on that beyond peradventure.

The current National Savings and Investments literature also makes a virtue of having an independent complaints procedure as part of the sales pitch. I have here a copy of the booklet produced by the Government to try and market these products to the public. I went to considerable lengths to obtain a copy: I picked it up from the post office in Central Lobby on Friday. Under the heading "Our commitment to you", the booklet says:

> "National Savings and Investments subscribes to the Banking Code and has a formal complaints procedure with an independent arbitration scheme."

That point is part of the marketing test in the booklet. It is not tucked away in 8-point type at the end under the "Terms and conditions" heading. It is not part of the small print; it is part of the sales pitch itself. So the Government have been relying on—playing on—the fact that they have an independent arbitration scheme to help sell these products to members of the public, including those who might frequent the post office in Central Lobby, even though the changes in the regulation of these products will be introduced in less than three months from today.

10.45 pm

There is also the related issue of double standards. Via the Financial Services Authority, the Government have sought to foist compulsory compliance rules on a whole plethora of financial institutions, to the point where it has led to quite a falling out behind the scenes between the Prime Minister and the Chancellor. So there is absolutely nothing new there, but it is a bit rich that the Government want compulsory regulation for just about everyone else—including most building societies, banks and investment product providers—yet when it comes to people who are effectively lending money to them, suddenly, a weaker voluntary code will do nicely. Where is the level playing field in all this?

The Government's consultation document on the proposed change included a key sentence, which states that moving responsibility for adjudication from the statutory adjudicator to the Financial Ombudsman Service

> "would first require some modifications to the rules concerning FOS's voluntary jurisdiction, which are made by FOS and approved by"

the Financial Services Authority. That being the case, perhaps the Minister will have more to say tonight specifically about those revisions and exactly what they will include, so that all Members of this House, and all members of the public who want to continue to invest in National Savings and Investments, can hear exactly how those changes are likely to be implemented. *[Interruption.]* As I speak, inspiration is arriving from afar. I am pleased to see that the Minister will be suitably briefed, even if he was not before he arrived.

As Ministers know, we Conservatives have commented on the sometimes heavy-handed nature of the FSA.

David Taylor (North-West Leicestershire) (Lab/Co-op): Unless I have missed something, the thrust of the Opposition's criticism of the Government's financial strategy in the past 12 to 18 months has been that the savings ratio has been declining. Now that it is starting to climb again, the Opposition are criticising that as well. Where is the logic in that?

Mr. Francois: I congratulate the hon. Gentleman on participating in this debate. We have been waiting for

hours for a Labour Back Bencher to make a contribution. Now that one has finally put his head above the parapet, I must congratulate him on reinforcing the Government—after almost five hours of absence of comment from their own Back Benchers. I am not absolutely sure that the savings ratio is recovering in the way that the hon. Gentleman—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. This is not strictly relevant to the amendment that we are discussing. Perhaps I might suggest that the hon. Gentleman avoid straying too far from it.

Mr. Francois: I thank you for that guidance, Mrs. Heal, and I will of course abide by it. The hon. Gentleman's contribution was the only one from the Labour Back Benches in five hours, and I confess to having been tempted to respond to it; nevertheless, I shall not be so foolish as to argue with the Chair. Perhaps the hon. Gentleman and I can discuss this issue some other time.

If our constituents lend their hard-earned money to privately run banks or building societies, they have some protection from compulsory jurisdiction under the auspices of the FOS, but if they lend to the Government instead, that protection is only voluntary. How is that equitable? Why are Ministers always so willing to encourage tighter regulation—except, of course, when that regulation might apply to them, when suddenly they are in favour of a lighter touch?

Unless Ministers are going to announce this evening that compulsory jurisdiction in these areas is suddenly to become voluntary across the board—I very much doubt whether they will—it is for them to justify the anomaly whereby a potentially lesser standard of protection is acceptable for our constituents, who are effectively lending to them. That makes it all the more important to have effective protection for individual savers against a financially avaricious Government such as the present one. If Ministers cannot justify the position clearly and to the satisfaction of the House and the country, I urge them to accept amendment No. 37 in order to remove the anomaly once and for all.

Mr. Newmark: The abolition of a dedicated complaints service for national savings and its placing under the voluntary jurisdiction of a financial ombudsman causes me great concern for two reasons. First and foremost, I am concerned about consumer protection and public confidence. Many investors in national savings are, in effect, widows and orphans—in other words, the most vulnerable investors in our community—yet the Government propose to get rid of a dedicated specialist complaints handler in exchange for some form of ombudsman who, in my opinion, does not have the same teeth. The Government are thereby diminishing public trust in a very important area of investments with the investor community.

Secondly, it once again looks like—and I believe that I am quoting my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond)—another case of the Government saying "do as I say, but not as I do". On one hand, through the auspices of the Financial Services Authority, the Government foist petty compulsory rules on everyone else, but on the other hand, they try to have a weaker voluntary code of conduct for themselves. I would suggest to the Minister that the Government should set the same standards of probity and the same code of conduct for themselves as they expect from everyone else in the investment industry. I therefore support the amendment.

Susan Kramer: The Minister is well aware that consumer advocacy agencies have been very pleased with the transfer of National Savings and Investments from the specialist adjudicator to the Financial Ombudsman Service, because there is a tradition at the FOS of accessibility and low-cost remedies for complaints. However, there is concern among the same community—I hope that the Minister will give us some reassurance about it—that, because of pressure from various parts of the financial services industry, new hurdles will be placed in the way of those seeking redress from the financial ombudsman in the form of greater opportunities for appeal by institutions against whom complaints had been upheld. Can the Minister give us an assurance about that matter, which is entirely material to consideration of the elimination of the special adjudicator and the transfer of National Savings and Investments under clause 69?

Will the Minister also clarify why the transfer is only to the voluntary jurisdiction of the Financial Ombudsman Service? I understand that National Savings and Investments has said that it will regard the provision as a binding commitment, but under those circumstances, it is extraordinary—and perception matters—that the same compulsory rules that would apply to virtually any other party over which the FOS is to have jurisdiction do not apply in this instance. Why has a voluntary structure been chosen in this case?

Mr. Ivan Lewis: We have had a fascinating debate, which we started at about 3.30 this afternoon. Having already acknowledged that I failed to make adult skills sexy, I am certainly going to struggle to make Finance Bills sexy.

I note that the hon. Member for Rayleigh (Mr. Francois) was struggling to get his piece of paper out of the filing system, so a bit of vocational education would really do him some good. He was talking about the black hole; I think that the Conservative party has been talking about a black hole in the economy since 2 May 1997. That reminds me of one or two of my activists, who accused me of being a class traitor at about 1 am on 6 May 1997.

If Conservative Members wish to continue with their fantasy about a black hole, I simply say to them that we have the lowest inflation, the lowest interest rates and the lowest unemployment in living memory. As the deliberations on the Bill have continued, an important part of the debate has been about the fact that the first priority is stability. That is what business and the City want more than anything else: economic stability.

In the debate about the future of the Conservative party, one of the—*[Interruption.]* This is linked to the issue of—

The First Deputy Chairman: Order. I am afraid that the scope of the debate is not that wide.

Mr. Lewis: Thank you, Mrs. Heal.

[Mr. Lewis]

In any debate about the black hole in the economy, it is interesting to see how certain Members who sit in a particular place are now talking about the essential need to advocate a combination of social justice and economic success. Where did that philosophy and that value base come from? It is interesting to see that it is now Conservative Members who are saying that that is the only way in which they can become a credible Opposition again, let alone a credible Government.

This has been an historic debate, because my hon. Friend the Member for North-West Leicestershire (David Taylor) insisted on intervening to make a loyalist point on behalf of the Government. That in itself is an important—

The First Deputy Chairman: Order. I hesitate to interrupt the Minister again, but may I ask him to confine his remarks to the amendment, which is about the abolition of the statutory adjudicator for National Savings and Investments?

Mr. Lewis: Thank you, Mrs. Heal. I always bow to the Chair—especially when you are in it, if you do not mind my saying so. [HON. MEMBERS: "Get on with it."] I shall move straight on to the amendment. To respond to the debate appropriately, however, it is only right that I should refer to the contribution by the hon. Member for Braintree (Mr. Newmark); he is entitled to a response from me. I just want to tell him that the word is "ombudsman", not "umbudsman", as he pronounced it. If he looks at the piece of paper that the Whips wrote out for him, he will see that the word is spelt with an o, not a u. Clearly he could not read their writing as easily as he would have liked.

The amendment attempts to transfer responsibility for the resolution of disputes against National Savings and Investments to the compulsory rather than the voluntary jurisdiction of the Financial Ombudsman Service. In response to what the hon. Member for Richmond Park (Susan Kramer) said, I shall spell out why that cannot be done. National Savings and Investments is not currently eligible to enter under the compulsory jurisdiction because it is not regulated by the Financial Services Authority. It could not join the compulsory jurisdiction alongside FSA regulated bodies without substantial amendments to both the Financial Services and Markets Act 2000 and subordinate legislation. This is beyond the scope of the Finance Bill.

Furthermore, National Savings and Investments cannot be directly FSA regulated under its current business model, because as the Government's retail debt financing arm, it does not hold liabilities and does not have the capital adequacy requirements of privately owned financial institutions, both of which are necessary conditions for being FSA regulated.

Under the voluntary jurisdiction of the FOS, customer complaints against National Savings and Investments will be handled in the same way as under compulsory jurisdiction—that is a direct response to a question that I have been asked. This will deliver greater simplicity for customers, who will have access to the same dispute resolution process in the case of complaints against National Savings and Investments as with those against other financial service providers.

To give a further guarantee to hon. Members, it is important to say that National Savings and Investments is committed to voluntary jurisdiction, and that that commitment will be embodied in its framework document, which publicly states the aims of the agency, how it is managed and its relationship with Government, to ensure that it is bound not to unsubscribe at any time. A further guarantee is the fact that the rules of the voluntary jurisdiction scheme put conditions on participants withdrawing from that scheme. The transfer is being implemented so as to ensure that National Savings and Investments customers have continuous right of recourse to a single dispute resolution scheme.

I hope that Opposition Members will now understand that the amendment is not feasible, practical or possible in the context of the Bill.

11 pm

Mr. Francois: Having opened for the Opposition on clause 11 at 3.30 pm, I am pleased to be the alpha and omega of this debate by winding up the debate this evening. I stress again that, despite the fact that we have had a little frivolity in the Chamber, which is no bad thing at this hour, the matter is actually very important. We are discussing some £69 billion of funds under management, and the saving products in question are held by millions of Britons. For many of them, they represent a large proportion of whatever savings they have, other than their property, if they own it. So we have sought to ensure tonight that those Britons are adequately protected as this change goes through.

I commend my hon. Friend the Member for Braintree (Mr. Newmark) on taking the trouble to speak on this amendment—*[Interruption.]* Well, it would have been nice if we had had some Labour Back Benchers who had thought the same. It is to my hon. Friend's credit that, as a new Member, he can tell his constituents that he was here until well past 10 pm to speak on their behalf.

I also thank the hon. Member for Richmond Park (Susan Kramer) for making a contribution to the debate. We have had several debates in which the Liberal Democrats have kept their powder very dry—arid, in fact—but the hon. Lady finally decided to chip in. I am glad that she took the trouble to do so. It was, however, unusual not to see a single amendment from the Liberal Democrats all day. We hope that they will work a little harder in Committee.

It is possible to make the changes that we suggest. This is an important matter of public protection and we have set out why, given the Government's fiscal position, it is important that the public can be reassured on it. We have placed our views on the record and they have been heard by the House. I am sure that the debate will continue, but for the moment I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 69 ordered to stand part of the Bill.

Bill (clauses 11, 18, 40, 43, 44 and 69 and Schedule 8) reported, without amendment; to lie upon the Table.

House of Commons Commission

11.3 pm

The Leader of the House of Commons (Mr. Geoffrey Hoon): I beg to move,

That Nick Harvey be appointed a member of the House of Commons Commission under the House of Commons (Administration) Act 1978.

The House of Commons Commission plays an important part in the life of this House and those who serve on it have a considerable responsibility. The motion before us is designed to fill the Back-Bench place on the Commission left by the retirement of the former Member for Roxburgh and Berwickshire, now Lord Kirkwood of Kirkhope. I pay tribute to him for the sterling work that he did as spokesman for the Commission in the last two Parliaments, as well as for his distinguished chairmanship of the Work and Pensions Committee.

I have no doubt that the hon. Member for North Devon (Nick Harvey) will also serve with diligence and integrity on the Commission. He brings useful experience, not least from his previous working life in communications and marketing. I commend the motion to the House.

11.4 pm

Chris Grayling (Epsom and Ewell) (Con): I join the Leader of the House in paying tribute to Lord Kirkwood for the work he did as a Member of this Chamber. We all have our party political divisions, but I am sure that the Leader of the House will agree that Lord Kirkwood had a distinguished career in this place. He will be a hard act to follow on the House of Commons Commission. I am surprised that no Liberal Democrat Member has seen fit to join us in paying tribute to him.

If I were minded to follow the precedent set by one of my predecessors, my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), we should be at the start of a 90-minute debate. Happily, I am not of that mindset—*[Interruption.]* Ah, we have a Liberal Democrat. The hon. Member for Hazel Grove (Andrew Stunell) has just entered the Chamber. He missed the tributes paid to Sir Archy Kirkwood from both sides of the House, so I repeat that, notwithstanding party political differences, he had a distinguished career in this place. I am certain that those words will be echoed in a moment. We are grateful to him for his work on behalf of the House.

I have no doubt that the hon. Member for North Devon (Nick Harvey) will continue that work and I look forward to working with him on the House of Commons Commission in the months ahead.

11.5 pm

Andrew Stunell (Hazel Grove) (LD): I apologise to you, Mr. Deputy Speaker, and to the House. I was not keeping a sufficiently sharp eye on the monitor.

I am delighted about the motion. The record of service of the predecessors of my hon. Friend the Member for North Devon (Nick Harvey) is of exemplary value to the House and I am sure that he will continue in that tradition. I am happy to support the motion.

11.6 pm

Sir Stuart Bell (Middlesbrough) (Lab): I had not intended to speak in the debate, but I wanted to say that Sir Archy Kirkwood—soon to be ennobled—as a former member of the Commission with whom I served for many years, rendered huge and signal service to the House through his work there. I know that my right hon. Friend the Leader of the House has given him full praise but the work of the Commission is mostly unsung. Sir Archy did sterling work and the House of Commons and all of us are better for it.

Question put and agreed to.

Urban Renaissance (Plymouth)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Cawsey.]*

11.7 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): It has been a great privilege to represent the Plymouth, Sutton constituency for the past eight years and to have been elected for a third term to represent a city with such a challenging and exciting agenda.

When I was elected in 1997, the city had the poorest ward in England as measured by the 1995 index of local conditions. Since then, there has been considerable progress and investment in public services, notably in the Peninsula medical school, whose first undergraduates are now completing their third year of study. Plymouth university and the Tamar science park go from strength to strength, and the community of Devonport, as well as investing across the board in all our public services with the help of its new deal programme, is making progress in the regeneration of its built environment and developing capacity among its residents to enable them to play a part in the regeneration of their community and to improve their skills and move into employment.

On the other side of the city centre, the east end renewal project has done much to improve the quality of housing in the Prince Rock, Cattedown and Coxside communities. For so long blighted by a road traffic plan and with possible compulsory purchase hanging over their heads, people in the area are now moving to establish a healthy living centre and a new focus to their community around the Astor park.

The city centre itself is beginning to benefit from the early fruits of the business improvement district, and the P&O development on Drake Circus is beginning to take shape. To quote the leader of the city council, Tudor Evans:

"There is a buzz about Plymouth at the moment—and it is not just the hum of machinery on building sites. People stop each other in the street to talk about the changes they see around them. They are no longer on the sidelines and their interest in their own city has been revived."

Plymouth is one of six places to take part in the city growth strategy programme and we have identified where our strengths lie: in marine and health sciences, advanced engineering and the cultural industries. On the deficit side, we have too many people with low skills and businesses find that skills are scarce. Much of our transport and other infrastructure needs attention. Although we have more confidence, ambition and a definite vision and sense of direction, we still need recognition of our comparatively weak position, and a son or daughter of our objective 2 regional aid funding if our city is to act as the engine driver for the Devon and Cornwall sub-region in a region that has the greatest disparities of any in the United Kingdom.

With our plans for growth and affordable housing, Plymouth is well placed to help to achieve our manifesto commitments of another 1 million home owners and affordable housing. Indeed, Plymouth cannot only cope with extra homes and people, but would positively gain from them because they would help to create a critical mass that would make the running of services and the operation of markets more viable.

Alison Seabeck (Plymouth, Devonport) (Lab): Does my hon. Friend agree that, after a period of some economic difficulty, Plymouth is now poised for the economic growth implicit in her comments? However, we have a northern way and a Thames gateway, so would it not be appropriate for the Government to consider establishing a Plymouth pathway to ensure that housing funding meets Plymouth's needs and aspirations?

Linda Gilroy: That is well worth considering. Indeed, I think that the South West of England Regional Development Agency has some such plan for the region as a whole but, given the disparities that we have at the Cornwall, Plymouth and Devon end of the region, something that would help focus on whether the RDA is paying sufficient attention to addressing those disparities would be valuable.

If we are truly to build on the inspiration that has been offered to us, there are implications for everything from public transport to waste management, from realising the potential of all our young people and ensuring that their skills can contribute to this exciting development at all stages of life to ensuring that we have sufficient housing as well as support and leisure opportunities for older people. "Ideas for Change" sets out the council's ambitious programme for reinvigorating the education offer from pre-school years to post-16 skills in a way that complements the further and higher education offer in the city. We will need to capture the imagination and support of central Government to help us make that programme happen and it is very important that it does happen, not just in its own right to meet education objectives but because it is the key to knitting together the whole city in a way that makes the citizens of Efford, Eggbuckland, Estover, Keyham, St. Budeaux and Honicknowle continue to feel that they matter as part of this great enterprise too.

Growing capacity at a pace that ensures our infrastructure development matches general development will need careful thought, understanding and commitment. Plymouth is going through a very exciting period in its history. The scale of regeneration taking place is second only to the post-war reconstruction period that followed the destruction of large parts of the city centre in world war two. That gave rise to the opportunity for a radical new plan for Plymouth prepared under the leadership of Patrick Abercrombie and published in 1944.

During the intervening period, Plymouth may not always have realised that vision, often being on the threshold of significant new development just as boom turned to bust in the economic cycles that prevailed in the 1970s and 1980s. As the city moved into the 1990s, it was in a period of decline and its confidence was low. A number of economic and social factors contributed to this: a decline in the defence sector, vulnerability in manufacturing industry, low levels of entrepreneurship, high unemployment, an inability to attract private sector investment and a lack of critical mass in large private sector companies to support indigenous growth, low incomes and low skills, and areas of extreme disadvantage including, on the 1995 index of local conditions, St. Peter's ward, which had the unenviable label of being the poorest ward in England.

We now stand, however, on the brink of the greatest challenges since the war with the bold and exciting new vision developed by David Mackay for the centre of the city—a vision that represents a step change of pace, intensity and quality of development in the city and that lays out a plan for reconnecting the city centre links with the waterfront and surrounding areas. "A Vision for Plymouth" has been prepared for Plymouth's local strategic partnership by MBM Arquitectes and AZ Urban Studio under the lead of architect, David Mackay. He and his team have an international reputation and are probably best known for master planning the Olympic village and port in Barcelona, reshaping that city too to make the most of its waterfront. David's listening and democratic approach has captured, for many, a 21st-century forward-looking vision for Plymouth that draws on the essence of the city and uses that to inform and shape the future.

In developing the vision, David set about discovering what works for Plymouth and what is holding it back. What he produced tries to challenge perceptions and raise ambitions. It invites citizens to engage and aspire. It looks at opportunities for long-term growth. It aims to promote the interconnection of the city's different communities and neighbourhoods, and provides the framework for a stronger, improved image of the city. It is already inspiring physical changes to the city and now, led by the *Evening Herald*, plans for launching a branding project later this year to help us to promote Plymouth's fresh image are well advanced.

There are now many major opportunities in Plymouth to deliver accelerated growth as part of a quality agenda in line with the Government's sustainable communities plan and to tackle intra-regional disparities. Plymouth's city centre has a footprint the size of Manchester, but a population of only one third of that city's centre, or perhaps even less. The vision proposes that a greater intensification and density of mixed-use development should be introduced to include new residential, leisure and cultural evening uses. It outlines the scope for shared attractive spaces, including the new square in Armada way that the Deputy Prime Minister saw on his most recent visit, quality landmark buildings and improved public transport interchanges. The vision also proposes an area dedicated to cultural facilities and creative industries, which would incorporate the university, museum, library and other cultural activities.

Sutton harbour is the main tourist area of Plymouth and also a working harbour with a thriving fishing industry. The vision proposes extending regeneration to the east side of Sutton harbour and towards the Hoe, with a mix of commercial and residential developments. The Hoe, of course, is Plymouth's promenade, with spectacular views across Plymouth sound, and it is one of the most impressive natural harbours in the world. The vision proposes new and refurbished visitor attractions with piers and walkways along the foreshore and water transport links from the Hoe to Sutton harbour, Millbay and beyond.

To the west side of the city lies Millbay, which has been identified as one of the greatest opportunities for transformation. The vision proposes a major mixed commercial and residential scheme, a new boulevard to link the area to the city centre, a centre for marine science and research and a new cruise terminal.

A tremendous amount has been achieved. The vision principles have been adopted by the city council and a design panel established that is based on Commission for Architecture and the Built Environment good practice and chaired by Dave Mackay. The Plymouth regeneration forum has been set up. A new public square at Armada way has been completed and a new mixed-use, 19-storey development has been approved for the city centre. A £170 million covered shopping mall is being developed by P&O Properties. A city centre company has been formed to create a business improvement district, and a partnership among the city council, English Cities Fund, South West of England Regional Development Agency and English Partnerships has been established for the regeneration of Millbay.

Plymouth has unique potential not only for the south-west, but arguably nationally and internationally. We certainly aim to be the prime city for accelerated growth in the far south-west, with the potential to raise population from its present figure of 241,000 to 300,000 by 2026. We believe that the plan for the built environment can accommodate some 33,000 new dwellings by 2026, including 4,200 affordable homes by 2016. We aim to continue our almost unrivalled achievement of establishing 90 per cent. of that on brownfield sites. Alongside the plan for economic regeneration, we believe that that can significantly reduce intra-regional disparities.

By continuing to invest in city growth strategy sectors to create new jobs, some 17,000 new jobs can be accommodated on 220 hectares of new employment land. We are doing much to achieve this on our own, but as a city with objective 2 status which is on the edge of a county with objective 1 status, we will need continuing support from central Government beyond the regional aid funding period.

I have five things to ask of my hon. Friend. First, I hope that his response shows that he understands our city's potential. Plymouth is the second city of the region—the engine driving the far south-west economy. With his colleagues in the Office of the Deputy Prime Minister, I hope that he helps us to achieve the recognition we need from the regional development agency, the Government office for the south-west and other Departments, so that we realise that potential as fully as possible. It is essential to the Government's agenda of driving up economic performance that they address those regional disparities as well as build sustainable communities.

With the sciences emphasised in the city growth strategy, we aim fully to realise the potential of the sector and achieve the recognition that Bristol has achieved in gaining science city status. We are already beating a path to the Treasury, with some meetings planned in the forthcoming months, to engage its interest and understanding of our potential and to find out how it might help us to achieve that status. I hope that my hon. Friend helps us to secure the attention of colleagues with responsibility for transport, environment, education, defence, health, and culture, media and sport—indeed, colleagues in almost every Department.

Secondly, I hope that my hon. Friend will advise us on how we can ensure that current and imminent reviews of local government finance and the formula associated

[Linda Gilroy]

with it take account of the needs of authorities with fast-growing populations, which Plymouth is certainly going to have.

Thirdly, given the growth scenario, I hope that my hon. Friend will take a particular interest in how we might best present our case to the Government to secure a part of future waves of decentralisation of civil service jobs under the Lyons report, for which his Department has overall responsibility.

Fourthly, with the average house price in Plymouth at £133,294 and average earnings of £17,605, average house prices are 7.6 times average earnings, and we need to explore ways of working with the Government and housing associations, such as the Tamar, Sanctuary and Devon and Cornwall associations, to develop appropriate models of affordable housing. As a Co-operative Member of Parliament, I am particularly keen to see the development of housing that is owned and controlled by the community through community land trusts and mutual home ownership, such as the models proposed by CDS Co-operatives and the co-operative movement. I hope that my hon. Friend shares my view that those models, which are designed to give an equity stake—a foot on the bottom of the ladder—in housing ownership, are much more cost effective because the transactional costs are lower. I hope that he and his colleagues in the ODPM will continue discussions with CDS to explore fully those models.

Fifthly and finally, Plymouth would welcome the opportunity to show my hon. Friend what I have attempted to do justice to in this short debate. I hope that he will consider coming to see what is happening and meet some of the people who are involved in bringing that regeneration about. He will certainly be assured of a very warm welcome.

11.23 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) has raised a number of questions that I hope are answered in my response. First, however, I congratulate her on securing this important debate. It gives us the opportunity to focus on a city that is increasingly recognised as a beacon for driving regeneration.

Plymouth has given us a lot, not least the benefit of the previous hon. Member for Plymouth, Devonport, who stood down at the recent election. I pay tribute to the work of Mr. David Jamieson for what he did for the House, for his contribution as a Minister at the Department for Transport, but, above all, for the way in which he looked after his constituents. It is perhaps symbolic that the city that gave the House its first woman MP is now represented by two women MPs. I welcome the contribution that my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) made. If she makes Ministers work as hard for Plymouth as my hon. Friend the Member for Plymouth, Sutton does, the city will have no complaints.

My hon. Friend the Member for Plymouth, Sutton has beaten a path to our door, championing Plymouth's embrace of the urban renaissance agenda. Many hon. Members will have had the benefit of attending the presentation that she sponsored earlier this year in Parliament on the vision for regenerating Plymouth drawn together by the city's partners, led by the city council and its leader Tudor Evans, and catalysed by Mr. David Mackay, who drew on his experience of similar work in Barcelona. It would be difficult to find a city to which the urban renaissance agenda is better suited. Plymouth is a city with a great heritage. It became a focus for some of the best post-war city planning in Europe, led by Lord Abercrombie, and it had the leadership and the confidence to implement its Abercrombie plan to a greater extent than any other British city. However, it has had more than its fair share of economic and social difficulties, including the reduction of employment in the defence estate and the challenge of global markets to its manufacturing base. Plymouth has experienced problems encountered by many of our cities, including drug abuse, domestic violence, problems in schools and high levels of crime.

My hon. Friend, however, has not brought a story of failure, despondency or despair to the House. I applaud the story that she has told us of civic leadership, vision, partnership and progress. It is perhaps unexpected to find the foundation of a vision for regeneration among planners and architects. For too long those professions have been the butt of cynical jokes, and have been blamed for many of our urban problems. However, I want to pay tribute to the work of planners and architects, not only in developing the Abercrombie vision of the 1940s and 50s but in revisiting it in the past few years. Mr. Mackay himself would be the first to say that he has built on the work of others, and I am pleased that the city council has not only developed a high-quality deposit local plan but has embraced the opportunity afforded by the new local development framework system to establish the foundation for its vision of the future.

I pay tribute to the private sector architects and planners who have partnered David Mackay and Plymouth city council to give substance to that vision. That proactive, catalytic role is precisely what our new provisions for the planning system are designed to provide, and I encourage others to look at the example laid down by Plymouth. My hon. Friend has not just brought us an example of good town planning. Encouraged by the Deputy Prime Minister's strategy for sustainable communities, Plymouth aims to achieve sustainable growth. The Mackay vision has provided a spatial context for the wider growth agenda, and I particularly welcome the way in which the city and its partners have developed their agenda to embrace the city's wider economic and social needs.

I commend the positive approach of the city council to its urban capacity study and the high proportion of new housing for the city that is planned either for brownfield land or for the existing urban envelope. Vibrant cities are places in which people want to live, not just on the periphery but in their hearts. The combination of the Mackay vision, the commitment of English Partnerships and the regional development agency, and the leadership of the city council will ensure that the city centre and the area around Plymouth's waterfront are once again places where large numbers of people can live and enjoy their lives. Bringing affordable housing, social housing and housing for more

prosperous people back to the heart of the city is part of central planning for a sustainable community. It is part of the vision for urban renaissance.

I accept, however, that the vision in Plymouth goes further. Tackling urban design and the delivery of housing is not enough if there are not well-paid, high-quality, long-term sustainable jobs for the citizens of the city. Work is in hand to build Plymouth's future economy, and I pay tribute to people with the vision to develop a science park. The Tamar science park at Derriford is recognised as one of the country's leading exponents of the science park agenda, and I am delighted that we have been able to support that success through the RDA and objective 2 programme investments in the science park. Partners in Plymouth quickly realised benefits for the economy that a large and successful hospital and a new medical school provided through intellectual capital, the opportunity for technology transfer and the incubation of new companies. Derriford hospital and the Peninsula medical school stand out for their commitment to building links to the wider city and its economy.

Plymouth is fortunate to have one of the most impressive examples of a new university. As a contribution to urban renaissance, Plymouth must be almost uniquely fortunate in having a university with the ability to develop a 21st century campus right in the heart of the city. I recognise that the benefit goes well beyond anything that can be measured in student numbers or even in terms of research assessments. The contribution to innovation in a city such as Plymouth of a successful university is immeasurable. Its impact on aspiration and ambition in the city is incalculable. I pay tribute to the vice-chancellor, Professor Roland Levinsky, and his staff for the commitment that they show to partnering with Plymouth and growing its future together.

I also recognise that Plymouth has academic assets beyond the university. In the Plymouth Marine Laboratory, the Marine Biological Association and the Alexander Hardy Foundation, Plymouth has a world centre of marine science expertise to be proud of. All these things mean that Plymouth is well positioned to respond to the Lisbon and Gothenburg agendas. Innovation and competitiveness have to be at the heart of growth economies, and I welcome the steps that Plymouth city council and its partners are taking to build on this foundation.

I am struck by how committed Plymouth has been over the past 15 years to working in partnership. I applaud the lead that Plymouth's private sector took in developing the proposals and funding for the study undertaken by David Mackay. I welcome the strong sense of community evidenced by the local leadership of the Devonport new deal for communities initiative. I welcome the huge contribution made by the voluntary sector in Plymouth to the city's successful development of drug rehabilitation programmes. But none of those schemes would be enough if they were operating in isolation. The city council's vision of building with the chamber of commerce the Plymouth 2000 partnership more than a decade ago has proved far-sighted and beneficial. On this foundation has grown Plymouth's local strategic partnership. I look forward to the partnership moving in due course to grasp the opportunities of a local area agreement, through which the city will be able to extend programmes to improve the delivery of public service to the most disadvantaged; to narrow differentials; and to improve its performance on key floor targets.

That is why I am enthused by the vision that my hon. Friend has brought us this evening. It is a true vision of a sustainable community. It is a vision for a community that is committed to increasing its prosperity while at the same time increasing equality of access to that prosperity, and which is interested in its physical environment, but also in the quality of the life of the citizens who live in that environment. It is the vision of a city driven not by remote bureaucracy, but by close partnership involvement of all its communities.

That is a true vision of urban renaissance, and it is one that matches well with Government policy. In their manifesto report "Strong Economy, Great Cities", the Government have celebrated the urban renaissance that has been gathering confidence in our major cities over the past eight years. The report recognises that we must continue to give those cities the support they need to do even better, but it also emphasises our intention to apply the lessons of our successful regional cities to the next level of cities and towns in the country.

We will strengthen the role of councils such as Plymouth to lead the transformation of their area through proactive approaches to promote prosperity and create sustainable communities. Our new planning policies are also helping. Planning policy statement 6 on planning for town centres aims to promote vital and viable town and city centres by encouraging positive planning to encourage growth and manage change. We are fully supporting Plymouth's renaissance in many ways, including, for example, through our investments through the regional development agency, English Partnerships, the English cities fund, objective 2, our neighbourhood renewal fund and the Devonport new deal for communities. They are supporting projects such as the Tamar science park, the Royal William yard and Millbay dock regeneration.

We welcome Plymouth's keen and strong participation in our business improvement district pilot scheme and the overwhelming support of local businesses for the scheme, which offers the opportunity to make a real difference to the city centre environment, alongside the developments being taken forward there in support of the Mackay vision.

My hon. Friend asked me for reassurance that Plymouth's potential is recognised by the Government and that it will have help in realising that potential. I reassure her that Plymouth is on Ministers' radar screens. I have already emphasised many of the ways in which we are already supporting and investing in Plymouth. I look forward to hearing the conclusions reached by Plymouth and its partners about how the city's delivery of sustainable growth can be taken forward.

As my hon. Friend knows, Sir Michael Lyons is carrying out an independent inquiry into local government finance, and it is for him to decide what aspects to consider within his terms of reference.

My hon. Friend has raised the question whether areas with rapidly growing populations are properly catered for by the local government finance settlement. She will know that the Government have already abolished the

[Jim Fitzpatrick]

ceiling on grant increases from one year to the next, and we are now examining the use of forward-looking population projections in the settlement, which will help further. We expect to consult on possible options for grant distribution over the summer.

My hon. Friend has raised the issue of civil service relocations. Addressing regional economic disparities is an integral part of creating sustainable communities, which is where we see our commitment to relocating 20,000 civil service jobs out of the greater south-east by 2010 playing its part. The Office of Government Commerce leads on the relocation initiative across government, and the ODPM's particular interest is in realising the potential contribution of any relocation to regenerating deprived areas. As such, when Departments consider where to locate staff, we will ask them to assess the impact on key elements, including jobs, skills and investment.

My hon. Friend raised the issue of developing models of affordable housing. We want to offer as many people as possible the opportunity to own a home, and we are fully aware of the difficulties facing first-time buyers in the south-west. We are interested in hearing more about new and innovative ways of delivering affordable housing, and it would be useful if we could be kept appraised of any developments.

We are consulting on proposals for improving our low-cost home ownership schemes. The document "Homebuy—expanding the opportunity to own" is available on our website, www.ODPM.gov.uk, and everyone is welcome to respond to that consultation and to set out their ideas in relation to our own. Indeed, I understand that CDS Co-operatives has discussed piloting the community land trust idea with English Partnerships.

My hon. Friend asked me five questions, and the only one that I have not responded to is her kind invitation to visit Plymouth. If she will allow me a little time, because I am so new to my post, I hope that we can arrange a visit in the summer recess.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes to Midnight.

House of Commons

Tuesday 14 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON BILL

Order for Second Reading read.

To be read a Second time on Tuesday 21 June.

LONDON LOCAL AUTHORITIES BILL [*Lords*]

Ordered,

That so much of the Lords Message [19th May] as relates to the London Local Authorities Bill [*Lords*] be now considered.

Resolved,

That this House concurs with the Lords in their Resolution.—*[The First Deputy Chairman of Ways and Means.]*

Message to the Lords to acquaint them therewith.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Dentistry

1. **Mr. Gary Streeter** (South-West Devon) (Con): What assessment she has made of the provision of NHS dentistry in south Devon. [3669]

The Minister of State, Department of Health (Ms Rosie Winterton): South Hams and West Devon, and Plymouth primary care trusts have received £238,000 capital and £102,000 revenue, 22 per cent. of practices have moved over to the new pilot contracts, and there are three new Polish dentists working in the area. Taken together, these developments are all helping to improve local access.

Mr. Streeter: Eight years into a Labour Government, six years after a specific promise from the Prime Minister and one year after a debate in Westminster Hall on dentistry in Devon, why is not a single dental practice in south Devon taking on new NHS adult patients? How much longer will my constituents be kept waiting for the NHS dentistry that they deserve?

Ms Winterton: As the hon. Gentleman pointed out, and as I am the first to admit, there have been problems in the area, which is exactly why we have targeted it for extra resources. As I said, the extra money has already led to new registrations. There have been 8,000 in the Plymouth area, but in the South Hams and West Devon area, the number will increase in line with the new money, with the new dentists coming into the area and with the gradual introduction of personal dental services contracts.

Mr. Adrian Sanders (Torbay) (LD): Is the Minister not aware that the number of dentists leaving NHS practice is rising faster than the number of new ones coming in? Only last week, a Torquay practice stopped taking NHS patients or even providing NHS treatment for children.

Ms Winterton: I am of course aware that there continue to be some problems in particular areas, but, in fact, after a dip in 1998, the number of registrations is rising. That will take time to reach all parts of the country, which is exactly why we have introduced special access funding, why we are changing the system for delivering dentistry and why we have said that we will recruit another 1,000 dentists by this October. The hon. Gentleman's area is benefiting from that extra recruitment, although the registrations will take a little time to come through.

Alison Seabeck (Plymouth, Devonport) (Lab): I know that my hon. Friend is very aware of the problems facing the south-west and our difficulty in accessing dentists, but I also know that her Department is working hard to implement a range of measures designed to increase dentist numbers. What we ultimately need is a sustainable approach, so we need to train more dentists. Will she therefore welcome a bid from Plymouth for a new dental school?

Ms Winterton: My hon. Friend is right to say that our reforms are making a gradual difference. Progress is slower in some parts of the country than in others, but as well as increasing investment by £368 million from this year, recruiting an extra 1,000 dentists and changing the way that dentists work, a further major part of the reforms is our training of another 170 dentists a year from this October. This year, those 170 places will go to existing dental schools, but from next year we will welcome bids for some 91 places from existing schools, from new dental schools and, in some cases, from satellite schools, so that such schools can not only train dentists on site, but put them out into the community.

Richard Younger-Ross (Teignbridge) (LD): A private dental practice in Teignbridge has secured nine new NHS dentists with the support of the district council, the PCT and myself. If we can do that, why cannot the Government?

Ms Winterton: The hon. Gentleman will acknowledge that we had a meeting about that matter and that I was able to assist him in ensuring that his local primary care trust could put the contract through. The extra funding and commissioning at local level has meant that such changes can take place. That, combined with international recruitment, has made a difference in areas such as his.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Three months ago, I met Mr. Ian Stuckey, chairman of the south Devon dental committee, and it was clear from our discussions that, with no base contract, no progress made on the contract with dentists and no information about the future charging review, many dentists have no incentive to offer new NHS registrations. Frankly, the Minister is pouring money into a bath with the plug out. Will she tell the House when she is going to publish the review of patient charges that she received 15 months ago?

Ms Winterton: I received Harry Cayton's report on patient charges in March 2004 and we are considering its implications. We now have approximately 5,300 dentists working under the new pilot contracts, which are similar to the contract that will eventually be produced, and we are reflecting on some of the implications of the charges in those pilots. We will publish our response to Harry Cayton's report shortly.

Mr. Lansley: In south Devon, as we heard from my hon. Friend the Member for South-West Devon (Mr. Streeter), the proportion of people registered for NHS dentistry collapsed from more than 50 per cent. in 1997 to fewer than 30 per cent. now. The Minister is very fond of targets, so will she tell us what is her target for the proportion of people who should be registered for NHS dentistry?

Ms Winterton: At its height, the number of people registered with an NHS dentist was about 55 per cent., but because of the changes in the re-registration of 1997, it fell to 49 per cent. The number went down over the next few years, but is now back up, we believe, to 49 per cent., so there has been a levelling off. It is early days, so the extent to which it is sustainable is not yet clear, but the changes that we have introduced are making a difference. As to the publication of the report and the continuation of those changes, I have already said that we shall respond shortly. I remind the hon. Gentleman that there are about 5,300 dentists working in the new wave in 2,000 practices across the country. I would certainly like anyone who wishes to register with an NHS dentist to be able to do so. That is the aim of our changes.

Steve Webb (Northavon) (LD): South Devon falls within the South West Peninsula strategic health authority, which has seen a dramatic fall in the proportion of children registered with an NHS dentist. In 1998, about two thirds were registered, but it is now fewer than half. Coming to this subject afresh, I sense a lack of urgency—to put it charitably—on the part of the Minister. After taking 15 months to consider a report, she talks about whether the levelling off will be sustainable. When will we get back to the rates that she inherited and when will we get them back to a decent level?

Ms Winterton: Investing £368 million more in dentistry, allowing dentists to move over to the new ways of working—resulting, as I said, in 5,300 new dentists in 2,000 new practices—recruiting an extra 1,000 dentists by October this year, introducing an expansion of dental training with 170 new dentists starting this year: I do not believe that all that shows a lack of urgency. Rather, it shows that we are tackling the problem. Progress is not as quick as we would all like and there are particular areas in the country with special problems, which is why we have established support teams working with local primary care trusts to improve local access. Nevertheless, we have introduced a radical reform that has shifted the balance of power from the centre to local areas. That means that money stays in local areas and it is increasing. We are also using international recruits and increasing the number of dentists by 1,000 from this October.

Walk-in Health Centres

2. **Andrew Gwynne** (Denton and Reddish) (Lab): How many patients visited walk-in health centres in the last period for which figures are available; and if she will make a statement. [3670]

The Secretary of State for Health (Ms Patricia Hewitt): I take this opportunity to pay tribute to the work of the muscular dystrophy society Parent Project UK in supporting children suffering from Duchenne muscular dystrophy. The Minister of State, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), will meet a delegation from the group shortly. Some 2.1 million people visited NHS walk-in centres in the year to this March. That represents a 31 per cent. increase over the previous year and demonstrates that NHS walk-in centres are now established as a mainstream NHS service that increases patient choice.

Andrew Gwynne: Walk-in centres are a key component in ensuring better access to health services and play a major role in addressing health inequalities. Will she say what discussions her Department will have with the Tameside and Glossop primary care trust, and the Stockport PCT, to ensure that the benefits of those excellent facilities are extended to the communities in Denton and Reddish, where they are not currently available?

Ms Hewitt: I note that there are no NHS walk-in centres in my hon. Friend's constituency at present. Neither Tameside and Glossop PCT nor Stockport PCT has chosen to develop proposals for such a centre, although I am sure that both would welcome the opportunity to discuss the matter with him. I draw to his attention, and that of the local PCTs, the fact that £18 million remains of the investment of £50 million that we made available in 2003 to provide more walk-in centres. PCTs are welcome to bid for money to expand walk-in centre provision.

Tony Baldry (Banbury) (Con): Why was the Public Accounts Committee told that the simple cost of treatment for a person who goes to a general practitioner was £15, whereas walk-in centre treatment cost £25? Can the Secretary of State be confident that she is getting the best value for money out of walk-in centres?

Ms Hewitt: I certainly can be confident that we are getting increasing value for money out of walk-in centres. When they were first opened, the usage of walk-

in centres was lower than that of GP services, but that is to be expected with a new service. As a result, the cost per consultation was higher, but the cost per patient has been falling as awareness, and therefore usage, of walk-in centres has risen. I am confident that that trend will continue, because walk-in centres are popular and patients very satisfied with the service that they provide.

Mr. Sadiq Khan (Tooting) (Lab): Will my right hon. Friend join me in congratulating the walk-in centre at St. George's hospital in Tooting and its staff? They have worked hard since the centre opened and treated many thousands of local patients. That has freed up resources at the local accident and emergency department, and among local GPs, who think that such centres represent good value for money.

Ms Hewitt: I entirely agree with my hon. Friend and readily join him in congratulating the excellent staff at the walk-in centre, the hospital and throughout the local health service. The great merit of walk-in centres is that they are open from 7 am to 10 pm, 365 days a year. They therefore extend access to NHS care to people who often find it difficult to go to a GP or who, in some cases, are not yet registered with one.

Dr. Andrew Murrison (Westbury) (Con): The uniqueness of our primary care is the enduring relationship that GPs have with patients, families and communities. That is especially important in the context of people with chronic disease. Most patients know that instinctively and would rather see their own doctor in their own community. Moreover, they would rather see their GP on a Saturday morning or in the evening than go and see someone who is—with the greatest respect—an anonymous technician off a railway station platform. Why are the Secretary of State's priorities so different from the priorities of patients?

Ms Hewitt: Although this is my first appearance as Secretary of State for Health at Health questions, I fear that the hon. Gentleman's question is sadly typical of the willingness of Opposition Members to denigrate NHS staff. Perhaps he would like to join me on a visit to a walk-in centre, such as the excellent one at New Cross in south London that I visited a couple of weeks ago. The nurse practitioners staffing that centre, with the back-up of a GP, do superb work, to the great satisfaction of patients—and I spoke to all of them.

Of course, it is important that we ensure continuity of care and the integration of walk-in centre care with GP care. That is why a record of treatment provided by a walk-in centre is, with the patient's consent, made available to that patient's GP. However, in nine cases out of 10, it is not necessary for the walk-in centre to refer a patient back to a GP, as treatment can be provided on the spot. That is why walk-in centres are so popular, and why they are continuing to improve the quality of health service care.

Children's Hospices

3. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): If she will review the NHS funding arrangements that apply to children's hospices. [3671]

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): We have a clearly understood approach to funding for children's hospices. It is for local NHS commissioners to determine the need for hospice provision for children in their local areas and to fund services accordingly. We will publish best practice guidance in the area shortly.

Jeff Ennis: I welcome my hon. Friend to his new position on the Front Bench. Is he aware of early-day motion 220, which notes that adults' and children's hospices are funded by the NHS through the same mechanism, via the local lead primary care trusts? In many respects, that funding mechanism lends itself more to adults' hospices than to children's hospices. With that in mind, will he agree to meet me and representatives from the Association of Children's Hospices to discuss that important matter further?

Mr. Byrne: I congratulate my hon. Friend on his tireless work on behalf of the hospice movement. I understand that Bluebell Wood hospice will shortly open in Dinnington, near his constituency, and he can take some pride in that achievement. Children's hospices and adults' hospices are very different. In an adults' hospice, 95 per cent. of patients suffer with cancer and their average stay is about 13 days. In a children's hospice, children may suffer from one of 14 different life-threatening conditions and may live for many years, and therefore the range of services they need—educational, recreational, respite care or hospice care—is very different. That is why local primary care commissioners need some flexibility in providing the right package of care. We need to take two further steps. We need to ensure that primary care trusts are clear about how to execute their responsibilities properly, and that is why we will publish national guidance very soon. Hospices also need to engage with primary care trusts, and I am pleased to say that the Association of Children's Hospices, supported by the Department of Health, will also publish guidance in that area.

Mr. Richard Bacon (South Norfolk) (Con): Quidenham children's hospice in Norfolk treats children with Duchenne muscular dystrophy, which the Secretary of State mentioned earlier. Is the Minister aware that age discrimination may be being practised against people who suffer from that tragic condition? If they are fortunate enough to reach the age of 21, which many do not, they can no longer be treated by a children's hospice, and adequate alternatives are not in place. He will know that there is a lobby on Duchenne muscular dystrophy today, and I was glad to hear the Secretary of State say that the Minister of State, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), would meet people from that campaign later. Will the Minister look into my point and see what can be done?

Mr. Byrne: I would be happy to do that. Our strategy in that area of policy is clear. The national service frameworks for children's health, and more broadly, set clear service standards. It is important that those promises are backed by the record extra investment in primary care. The average primary care trust will have an extra £45 million or so in investment over the next two or three years, and that level of investment will make those standards real.

Mr. Lindsay Hoyle (Chorley) (Lab): I, too, welcome my hon. Friend to the Front Bench, but will he recognise that funding should not be down to the local primary care commissioners alone? The Derian House children's hospice in Chorley takes children from as far away as London and Scotland, so the whole burden should not be on local primary care and we should ensure more direct funding from the NHS to ease the burden locally. That would be only right, as hospices are the poor relation when it comes to direct funding from Government.

Mr. Byrne: My hon. Friend has also been a champion for the hospice movement, on which I congratulate him. There are some 35 hospices around the country, which is an increase of 20 per cent. on 2004. The hospice movement is growing, but the fact that such a small number serve the entire country gives some the opportunity to specialise in particular conditions. That is why there will always be local specialisms that need to be plugged into primary care trust funding nationally. It is important that primary care trusts understand how best to commission services in those complex and sensitive areas. That is why national guidance is needed. I will take that national guidance out to several regional events to ensure that the new policy is bedded down on the ground.

Mr. Simon Burns (West Chelmsford) (Con): I add my welcome to the Minister to what is probably one of the best jobs in government. Why is it that adult hospices receive on average about 35 per cent. of their funding from the Department of Health while children's hospices receive just under 5 per cent.? What justifies paying children's hospices from the funding of the Department of Health so significantly less than adult hospices, notwithstanding the standard answer that he gave earlier? Why can they not receive significantly more from Department of Health funding so that they are more on a par with adult hospices, given the overriding need for those services for suffering children?

Mr. Byrne: The needs of adult hospices are so different from the needs of children's hospices that it would be a mistake for me to stand here at Westminster and write a prescription for how that mixture of services should be delivered up and down the country. The needs of communities in Cumbria are different from the needs of communities in Kensington and Chelsea. The needs of people with different conditions are also very different. That means that there will always be differences in the way in which education services are combined with respite services and hospice services. It would simply be wrong for us to dictate to local communities the right mixture of funding. It is important that we set out what people are entitled to when it comes to palliative care for children with life-threatening conditions. It is even more important that we back that promise with realistic investment, and that is exactly what we have done.

Breast Cancer

4. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): If she will make a statement on premature mortality rates for breast cancer. [3672]

The Parliamentary Under-Secretary of State for Health (Caroline Flint): Thanks to improvements that we have made to detection and treatment, we have seen a 19 per cent. decrease in breast cancer mortality rates in England in women aged under 75 since 1997. We are seeking to build on that by further improving screening, helping GPs better identify the symptoms of cancer, speeding up the time in which a patient with suspected cancer is seen and treated by a specialist and increasing the availability of the latest treatments.

Mrs. Hodgson: I pay tribute to my hon. Friend for her answer and to the sterling progress made by the cancer campaigns and the Labour Government in boosting research, diagnosis and treatment rates for breast cancer. Does she recognise that a cancer is likely to be more advanced by the time it is diagnosed in poorer areas, and that there are worrying regional disparities between survival rates, especially in the north-east, where there is only a 68 per cent. five-year survival rate as compared with 76 per cent. in the south-east? Will she outline the Government's proposals to tackle that health deficit and prevent needless deaths in the north-east?

Caroline Flint: I thank my hon. Friend for her question and welcome her to the House. It is pleasing to see hon. Members who take the issues around breast cancer seriously. She is right. We have to look not only at the national figures but at what is happening in local communities. We know that half of all women diagnosed with breast cancer are not referred urgently by their GP. That is why we have made a commitment that, by 2008, every woman referred by her GP for any breast problem will be seen by a specialist within two weeks.

We also have to do more to make women aware of their health and of where they can seek support. Primary care trusts, charities and Members of Parliament can play a role in raising awareness. We are also looking at how we can develop screening. We have some research being carried out on screening for those aged over 40. Screening is currently available to those over 50. We hope that those reports will give us some added ideas about developing screening in this important area.

Mrs. Iris Robinson (Strangford) (DUP): What is the Minister's assessment of the results from treatment with herceptin? Is she aware that the drug is less frequently used in Northern Ireland?

Caroline Flint: I thank the hon. Lady for raising that matter. I have had some discussions in the Department on it. Herceptin is not yet licensed for early breast cancer in England, but there have been positive trial results and we are considering referring it to the National Institute for Health and Clinical Excellence for urgent appraisal. We have made it clear that newly licensed treatments should not be withheld because guidance from NICE is not available. We have asked a group of experts chaired by the national cancer director Mike Richards to advise on the implications of introducing herceptin more widely in the NHS and on the issue of licensed products that PCTs could take up if trials show that they could have an impact and positive results.

Ms Dari Taylor (Stockton, South) (Lab): Does my hon. Friend acknowledge that, while we have invested in this area and produced some excellent services, if we are now to widen this service to women who are 75 years of age or women who are 45 years of age, there are problems? In my constituency, North Tees hospital is telling me that it needs more space and is desperate for an investment that would ensure that that could be provided; but it also needs additional investment for digital mammography. Is my hon. Friend considering how and in what way that investment can be put in place to keep and enhance an already excellent service?

Caroline Flint: My hon. Friend makes a valid point. It is not enough to agree to screening. We have to talk about how it will be implemented, the staffing implications and, very importantly, the environment in which screening would take place. I assure her that any further developments would take into account all those issues, but she would agree that the enormous investment that we have made in relation to cancer services, growing from an extra £280 million in 2001-02 to an extra £570 million in 2003-04, demonstrates our commitment not only to providing the resources but to coming up with the ideas to tackle these serious illnesses, which can lead to death.

Mr. John Baron (Billericay) (Con): Conservative Members naturally welcome the continued reduction in premature mortality rates for breast cancer, which has been in large part due to the introduction of the national breast screening programme in 1988. The Minister will be aware that breast cancer often involves a lengthy course of treatments and yet there is growing evidence that the Government's two-week and one-month targets are pushing resources to the front end of the system at the expense of those subsequent treatments. Given that, for example, the Royal College of Radiologists' latest figures show a significant lengthening in waiting times since 1998 for both radical and palliative radiotherapy—figures that the Government cannot contest because they do not collect such figures—what are the Government going to do to put right this worrying situation?

Caroline Flint: The hon. Gentleman again raises an important point about how all the different services interact with one another. There is no doubt that demand for radiotherapy has increased markedly in recent years. Perhaps that has something to do with the fact that women are coming forward and that we are diagnosing and identifying their cancer and providing the subsequent treatment. We are working hard to retain and recruit more staff. The Modernisation Agency is leading a programme to disseminate good practice in redesigning services. I have heard the points that the hon. Gentleman raised and will consider them.

Health Services (Teesside)

5. **Mr. Iain Wright** (Hartlepool) (Lab): If she will make a statement on the progress of the Darzi review. [3673]

The Minister of State, Department of Health (Jane Kennedy): It is important to ensure that patients are provided with safe, sustainable and, where possible, local services. Professor Darzi's review must be allowed to be carried out thoroughly, and should report only when it is ready to do so, which is expected to be this summer.

Mr. Wright: I congratulate my right hon. Friend on her appointment to her present post. Obviously, I want Professor Darzi to undertake his review correctly rather than quickly, but will she acknowledge that the delay has caused fear and uncertainty? The bottom line is the future viability of health services in Hartlepool. The Prime Minister and the previous Health Secretary, my right hon. Friend the Member for Airdrie and Shotts (John Reid), pledged that services in Hartlepool will improve and not be downgraded. Will the new Minister make a similar pledge?

Jane Kennedy: I have learned this much about North Tees and Hartlepool NHS trust: it has received three stars every year since 2001, it sees 98 per cent. of all A and E patients within four hours and, as at March 2005, fewer than 1 per cent. of operations are cancelled. My hon. Friend met my predecessor, my right hon. Friend the Member for Barrow and Furness (Mr. Hutton), on 31 January and secured an Adjournment debate on 8 February and I compliment him on the tenacity with which he is pursuing his case. He rightly says that commitments were given by the previous Secretary of State and, of course, by the Prime Minister, that Professor Darzi has been asked to see how the fullest possible range of services could be maintained in Hartlepool. My hon. Friend can be assured that this Minister is not about to countermand assurances given him by a Member of a higher rank.

NHS Direct

6. **Ed Balls** (Normanton) (Lab): If she will make a statement on the number of people using NHS Direct. [3674]

The Secretary of State for Health (Ms Patricia Hewitt): NHS Direct has handled more than 29 million calls since the service was launched in March 1998 and currently deals with about 500,000 calls every month. NHS Direct Online was launched in December 1999 and has seen rapid growth in the number of visits to the website, totalling nearly 10 million during 2004–05.

Ed Balls: Will my right hon. Friend join me in congratulating staff at the award-winning NHS Direct call centre in my constituency, which last year saw a 10 per cent. rise in the number of calls taken? Does she agree that NHS Direct shows that we can deliver a personalised and flexible service to patients in the NHS, in the public sector, with rising public investment? Does she further agree that that public investment would be put at risk if we were to go down the road of privatisation and the patient's passport plans proposed by Opposition Members?

Ms Hewitt: I strongly agree with all the points made by my hon. Friend and join him in warmly congratulating the staff of the charter mark winning NHS Direct call centre in his constituency. I am particularly impressed by the way in which that west

Yorkshire call centre integrates its work with that of the Pennine doctors out-of-hours GPs co-op and local dentists so that patients using NHS Direct can have access to the full range of NHS services and advice—all of it, of course, free at the point of need.

Julia Goldsworthy (Falmouth and Camborne) (LD): Since NHS Direct and walk-in centres were introduced, there has been an increase in accident and emergency attendances of 3.5 million a year, and a survey in *Nursing Times* has reported negative repercussions on A and E staff recruitment. Will the Secretary of State undertake an evaluation of the impact of both NHS Direct and walk-in centres on other NHS services?

Ms Hewitt: We have already commissioned precisely that evaluation. The evaluation of NHS Direct that has been carried out showed that, even where there was not full integration with local GP services, NHS Direct reduced demand for GP out-of-hours services and, where there was clinical integration, it reduced demand for those services by between 25 and 40 per cent. In the case of A and E departments and ambulance services, the evaluators found no evidence at all to support the argument that NHS Direct was increasing demand. The reality is that NHS Direct is increasing the availability of health care advice and good-quality health treatment to all the public. It is a good example of how we are modernising and improving the NHS on the basis of its founding values.

Angela Eagle (Wallasey) (Lab): Will my right hon. Friend undertake not to listen to the siren voices from both Opposition parties, which seem to be churlish about the development of easier access, out-of-hours access and new ways of getting access to health treatment in both walk-in centres and NHS Direct? Such services would apparently be under threat if, in some awful parallel universe, Opposition Members were on the Government Benches. Will she continue to develop those services, which are greatly welcomed by my constituents who use NHS Direct regularly and visit the local walk-in centre at Victoria Central hospital in their thousands every year?

Ms Hewitt: My hon. Friend is absolutely right. Both walk-in centres and NHS Direct are examples of the investment and reform strategy that we have been following to ensure that our national health service delivers the quality of care that the public and patients are entitled to receive. I readily give her the assurance that she seeks: we will continue on that path of investment and reform, even though the Opposition will no doubt continue to complain.

Dentistry

7. **Mr. Charles Walker** (Broxbourne) (Con): What measures she is taking to ensure adequate provision of NHS dentistry in Hertfordshire. [3675]

The Minister of State, Department of Health (Ms Rosie Winterton): The Bedfordshire and Hertfordshire strategic health authority was allocated £446,000 capital and £1,039,000 revenue in 2004 to increase provision of NHS dentistry. That money has been distributed to local primary care trusts and they are using it to provide an extra 63,000 registrations.

Mr. Walker: Is the Minister aware that many people in my constituency are struggling to find a dentist and that some people in need of emergency dental care are having to go private? Teeth are not like aching bones: people cannot wait six months, or six weeks, or even six hours in some cases, as when a root canal is needed. They need a dentist there and then, but because of waiting lists or difficulty finding a dentist, people are having to go private and spend a lot of their own money. I should be grateful if the Minister would assure my constituents, such as the Andrews, that the money they have spent going private will be refunded by the NHS, because they are not getting a service to which they are entitled.

Ms Winterton: I am sorry to hear about the hon. Gentleman's constituents' difficulties. As I said, extra money has been allocated to the strategic health authority to provide 63,000 additional registrations. One of the difficulties in his area is that it has been slow to move to the initial stage of personal dental services, whereby it is possible to provide more emergency access. However, the changes being made at local level will aim, through PDS, to provide precisely the type of emergency treatment that he mentioned.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Can the Minister say whether the alarming financial deficits that the Bedfordshire and Hertfordshire strategic health authority faces, which were known to Ministers before the election but which have been revealed only since, will affect dentistry, in addition to causing reductions in accident and emergency services and ward closures and threatening the business case for a new hospital? Why was information about the financial crisis not revealed to the electorate in Hertfordshire before the election?

Ms Winterton: The money allocated for NHS dentistry can be spent only on NHS dentistry, so the other matters that the right hon. Gentleman mentioned will not be affected by it.

Sir Paul Beresford (Mole Valley) (Con): As the House knows, I have a faint interest in this matter. The Minister makes great play of PDS contracts, which many dentists see as restrictive. They are waiting for the broad-based contract, because they want to run a mixed service, which provides a greater spectrum of opportunities and a variety of choices to their patients. Does the Minister have trouble with that, and if not, will she get on with providing the draft contract for dentists and their advisers to look at?

Ms Winterton: I read the comments that the hon. Gentleman made in the Adjournment debate on the subject and I think that he misunderstands the concept of the new PDS contract. There is no reason why dentists cannot combine the new contract with private work. Let us suppose that 30 to 50 per cent. of a dentist's time is taken up with general dental services work; changing from GDS to PDS does not mean that the dentist will have to stop doing other types of work under

the contract. The new contracts are about a different way of working. They do not exclude a dentist from doing other work.

As I have said on other occasions, the new contract that we will introduce will be based on the PDS contracts that are being piloted, perhaps with some refinements. We shall publish details shortly.

8. **Mr. Andrew Turner** (Isle of Wight) (Con): What proportion of people in *(a)* Hampshire and the Isle of Wight strategic health authority area and *(b)* the Isle of Wight are not registered with an NHS dentist; and what the equivalent figures were in 1997. [3676]

The Minister of State, Department of Health (Ms Rosie Winterton): Figures for those not registered with an NHS dentist are not available for specific areas, because some patients are not registered where they live. I hope that that makes sense.

Mr. Turner: I thank the Minister for that superb get-out. I also thank her genuinely for the work that she has done since 3 March last year to facilitate the provision of more dentists in my constituency. Is she not faced with an impossible task? In his first term of office, the Prime Minister promised that, within two years, everyone who wanted it would have access to an NHS dentist. How could he make that promise knowing that it could not be delivered? Did he not know, or did he not care?

Ms Winterton: My right hon. Friend the Prime Minister said that access to an NHS dentist would be through NHS Direct, that is exactly why we set up 53 dental access centres throughout the country. Right hon. and hon. Members should accept that there will be some people who do not register with an NHS dentist for whatever reason, as the hon. Gentleman knows.

I thank the hon. Gentleman for the kind comments that he made about my visit to the Isle of Wight. There were some real difficulties at that time. I hope that the 11 new dentists who are working on the Isle of Wight are starting to make a difference to the local situation. To go back to a point that was made earlier by the hon. Gentleman, the primary care trust has examined the tackling of emergency access, which is very welcome. It concentrated on that first and it is now moving to increasing the number of registrations, which is helped by the extra money, by our support team going in and by the 11 new dentists who are situated in the area.

Sandra Gidley (Romsey) (LD): Recent inquiries show that not one dentist in my constituency was taking adult patients on the NHS. Bearing in mind that most people would prefer to register with a local family dentist, how far does the Minister think that it is reasonable to expect people to travel to access such a dentist if they can find one?

Ms Winterton: There are some guidelines about mileage. I think that it is about 20 miles in rural areas and 5 miles in cities. I return to my point that some people do not register with a dentist where they live; many of them register where they work. I am not aware of the action plans of the hon. Lady's PCT.

Sandra Gidley: Three PCTs.

Ms Winterton: Or the three PCTs, as the hon. Lady is saying. I am not aware of the action plans that they have in place. I am prepared to look into the matter and write to her. There is no doubt that they will be able to benefit from the extra money that we are investing in NHS dentistry. If they wish to, they can have international recruits. The Department will work with them to secure extra dentists for the area. As we move to the new way of working, I believe that the hon. Lady's constituents will benefit. It will allow for extra registrations.

Sir George Young (North-West Hampshire) (Con): Is the Minister aware of proposals to invest in a new medical school in Southampton to increase the supply of NHS dentists in Hampshire, which will address the problems that we have just heard about? Is the hon. Lady able to give those proposals her support?

Ms Winterton: As I said to my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck), the 170 extra places that we have made available for undergraduates are being placed in the existing nine dental schools. We recognised that we had to put right the situation, given that the previous Conservative Administration had closed two dental schools. We had to rectify that. About 78 of the places will continue to be in existing dental schools. We are receiving bids from existing dental schools and places where people want to open a new dental school. We think that this will amount to the opening of at least one new dental school. It may be that some of the places will be in satellite schools of some of the dental schools in different areas. As the right hon. Gentleman says, one of the difficulties is getting dentists into certain areas. They can tend to cluster around dental schools. Some interesting ideas have been put forward about how satellite schools can be opened to ensure that dentists are in some of the areas where there have traditionally been shortages.

Smoking

9. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What steps her Department is taking to help people to stop smoking. [3677]

The Parliamentary Under-Secretary of State for Health (Caroline Flint): We have in place a comprehensive package of measures, including those set out in the "Choosing Health" White Paper, to help smokers quit. The NHS will improve its services to help people to stop smoking permanently. Smoke-free environments will become the norm at work and in leisure time. We have introduced proposals for hard-hitting warnings on cigarette packets and for further restrictions on tobacco advertising. We have taken tough action against shops that sell cigarettes to children and have achieved further reductions in tobacco smuggling. As a result of our actions, by 2003, there were 1.2 million fewer smokers in England.

Ms Smith: I thank the Minister for her response, and congratulate the Government on those results. However, the appalling statistic is that over 1,000 people a year die as a result of passive smoking. Does she not

agree that it would sensible to extend the proposed legislation to ensure that all pubs offer a smoke-free environment, not just those that provide food?

Caroline Flint: I thank my hon. Friend for her question, and I welcome her to the House. I congratulate the North Sheffield primary care trust, because in April to December last year 1,032 people set a quit date with its services, and at the four-week follow-up, 470 of them had successfully quit. That is a huge change on the position many years ago, when the services and support to quit smoking were not available on the NHS.

My hon. Friend asked why there is not a full ban. The public generally supported restrictions on smoking at work, and believed that it was right that food should not come with smoke. Among smokers and non-smokers, there was much less support for a complete smoking ban in pubs and clubs that do not serve food. We are trying to balance the rights of the minority with the rights of the majority who want smoke-free environments, and the proposals in the White Paper "Choosing Health" reflect the views of people in England. It is a complex issue, but in England, over 99 per cent. of enclosed workplaces will become completely smoke-free, and people who want a smoke-free environment in which to enjoy their social life and go about their business will be able to have one.

Mr. Nigel Dodds (Belfast,North) (DUP): May I ask the Minister whether she is satisfied with measures aimed at schools and colleges to help prevent young people and children from taking up smoking in the first place?

Caroline Flint: I would imagine that schools and colleges would come within the remit for enclosed workplaces, but we will consult in more detail on the measures that we plan to introduce in the draft Bill, including provisions on practical application. I look forward to hearing different views on the way in which we should tackle the issue. I would draw the hon. Gentleman's attention to the work that we are doing to make schools and colleges smoke-free and to ensure that young people and children are aware of the dangers of smoking. He will know of our recent campaign on the dangers of second-hand smoking. Unfortunately, a large number of adults still smoke in front of their children or while they are in the car with children. We must make sure that all parents are aware of the dangers of such behaviour and can take action themselves.

Dentistry

10. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): If she will make a statement on dental services in Milton Keynes. [3678]

The Minister of State, Department of Health (Ms Rosie Winterton): Milton Keynes primary care trust has been working with local dentists to improve access to NHS dentistry. It has secured eight new dentists through local international recruitment initiatives, which should lead to at least 16,000 extra registrations.

Dr. Starkey: I thank the Minister for that announcement. Sixteen thousand is a particularly appropriate number, as the problem in Milton Keynes was exacerbated three to four months ago, when a group of dental practices deregistered all of their 16,000 patients in one fell swoop. I am therefore pleased at the extra capacity announced by my hon. Friend. One surgery near central Milton Keynes railway station is about to open. However, will she keep a watching brief, and make sure that everyone in Milton Keynes who wants to sign up with an NHS dentist can do so, and that Milton Keynes PCT receives advice and support from her Department so that, if necessary, it can take extra measures to meet the need?

Ms Winterton: I am pleased that my hon. Friend's PCT is working proactively with local dentists. It has set up a helpline, which 4,000 people have used so far. That is the right approach, because we must establish a good relationship between PCTs and the people in charge of local dental commissioning. Those people should work with local dentists, so that if dentists deregister or, as happened recently, retire, they can warn the PCT, which can replace the registrations. The key point about the system that we are implementing is that the money that was being spent on a dentist remains with the local PCT rather than returning to the centre as it did in the past; the PCT can then create additional capacity.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Is the Minister aware that only last week negotiations between a dentist and the Milton Keynes PCT broke down? Is she further aware that there is a growing trend in Milton Keynes for parents to be told that their child will be granted access to a dentist only if the parents go private? Will the Minister reassure the people of Milton Keynes that the Government's stated policy of access for all to a dentist has not been replaced by a policy of "Buy two, get one free"?

Ms Winterton: I have to say to the hon. Gentleman that I think it is wrong for dentists to do that. I hope that he makes it clear to them, as I do, that he believes it to be unacceptable. I understand his point about what the dentist in that situation has done. There are times when dentists want to move to the new contracts because they like the new way of working, but it is important that the PCT ensures that there is proper value for money for the local taxpayer. If it did not feel that there was value for money, it would not pursue the move, and the Department would not allow it to do so.

I agree with the hon. Gentleman that it is wrong for dentists to adopt that attitude towards children, but the system that we are introducing, including local commissioning, new investment and the recruitment of 1,000 extra dentists, will lead to an overall improvement in the situation. I think that we are seeing some of the fruits of that at the moment.

Ambulance Service

11. **Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): If she will make a statement on the merger of ambulance trusts. [3679]

The Minister of State, Department of Health (Jane Kennedy): As the hon. Gentleman knows, the Department of Health commissioned Peter Bradley, chief executive of the London Ambulance Service NHS trust and national ambulance adviser to the Department, to lead a strategic review of ambulance services in England. The review is considering the future organisation of ambulance services and how resources can be used more efficiently. We hope to publish it shortly.

Mr. Clifton-Brown: I thank the Minister for her reply. She will be aware that Gloucestershire ambulance trust is one of the most innovative and efficient in the country; yet the strategic health authority launched a consultants' report with a predetermined view that it should be fully merged with Avon and Wiltshire. That is overwhelmingly unpopular in my constituency and in Gloucestershire. It is believed that a decision has already been made to conduct the merger in September, so the patients forums are seen as a complete sham. This should be a Government for the people, not a Government against the people's wishes.

Jane Kennedy: I hear what the hon. Gentleman says, and I know that he has been pursuing these concerns and has raised them many times, including not least, most recently, in an Adjournment debate in April. His points are valid. The purpose of the review is to get an overall picture of how ambulance services should now be developed, following the massive investment that has gone into them. There will always be a need to give interested parties, such as the hon. Gentleman's constituents, the opportunity to shape their local health services, and they will have an opportunity to comment on the detail of the review when it is published.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Member for Cotswold (Mr. Clifton-Brown) will know that I share a great deal of his concern about the way the plans are, apparently, being rushed through. I welcome what my right hon. Friend says, but will she make it clear that there will be a full opportunity to scrutinise the proposals and to look at how we can link the ambulance service with the fire service and the police locally as an alternative to what some see as back-door regionalisation?

Jane Kennedy: This is a comprehensive and wide-ranging review looking at every aspect of emergency ambulance services. Of course, it would be sensible to take into account precisely the point that my hon. Friend makes. I reassure the House that there will be consultation prior to the implementation of any proposed changes in the organisation of ambulance services.

Robert Key (Salisbury) (Con): I am sure that my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) will forgive me for pointing out that the review is warmly welcomed at the southern end of our strategic health authority area. We think that it is a very sensible solution to over-management in ambulance trusts. Furthermore, when the consultation is complete—I believe that my constituents are in favour—will she consider also conducting a review of NHS trusts? We have 2.5 million people in our strategic health authority and 22 trusts trying to administer the NHS. Will she see whether the NHS hospital trust in Salisbury can merge with our local primary care trust? That would save an awful lot of administration and deliver a better service.

Jane Kennedy: I am grateful to the hon. Gentleman for his comments, and I shall look into his suggestion. Clearly, the Government will not be able to please all the people all the time on this occasion, but this detailed review will be offered up for full consultation when we have the findings of Peter Bradley.

Alzheimer's Disease

12. **Mr. David Kidney** (Stafford) (Lab): What drugs are available on prescription for patients with Alzheimer's disease. [3680]

The Minister of State, Department of Health (Jane Kennedy): Four drugs are licensed for the treatment of the effects of Alzheimer's disease: rivastig—I knew that I would fall at the first hurdle. They are: rivastigmine, galantamine, donepezil and memantine. Forgive my pronunciation, Mr. Speaker.

Mr. Kidney: I thank my right hon. Friend for her answer. Does she agree that those drugs, however difficult to pronounce, are clinically effective? Has she witnessed, as many of us have, the vast improvements in the quality of life of patients who take those drugs, as well as of their carers? Can it really be that, at a cost of about £2.50 a day, she can allow the National Institute for Clinical Excellence to prevent those drugs from being prescribed on grounds of cost-effectiveness?

Jane Kennedy: The National Institute for Clinical Excellence has an international reputation for its work on clinical and cost-effectiveness, and its methodologies have been commended by the World Health Organisation. It will take a decision on the shape of its final guidance, taking account of all views expressed as part of the consultation. This is such an important and sensitive subject that we in Government want to be sure that every aspect has been fully considered. We must give the National Institute for Clinical Excellence the opportunity to carry out its work and present us with its findings.

Orders of the Day

National Lottery Bill

[Relevant documents: The Fifth Report from the Culture, Media and Sport Committee, Session 2003–04 HC196 on Reform of the National Lottery, and the Government's response thereto, Cm 6232.]

Order for Second Reading read.

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Leader of the Opposition.

3.32 pm

The Minister for Sport and Tourism (Mr. Richard Caborn): I beg to move, That the Bill be now read a Second time.

It is 10 years since the national lottery was introduced, and it has grown to be part of our national way of life; indeed, some would now call it an institution. That is underlined by the fact that 70 per cent. of us play on a regular basis. Last year, just under 5 billion tickets were sold. Over the period of its life, the lottery has raised about £17 billion for good causes. By any standards, it has been a huge success, and I give credit to the Opposition for introducing it when they were in power. In particular, the Prime Minister of the time, John Major, played a major role in introducing the lottery, which has had broad support across the House for that decade or so. That is to the credit of all those on both sides of the House who promoted the original National Lottery Bill back in 1993 and developed it further in 1998.

Tickets do not sell themselves, and the choices between good-cause projects are sometimes hard to make. Success is the result of constant hard work and creativity by Camelot, the lottery distributor, the National Endowment for Science, Technology and the Arts and the National Lottery Commission, all of which should be congratulated on how they have conducted themselves over the past decade or so. They have helped to maintain interest and, importantly, confidence in the lottery.

Last year, we celebrated the 10th anniversary of the first lottery draw, and people all over the country have been marking the 10 years since the first lottery awards went to good causes. Advice centres, leisure centres, cricket clubs, wetlands sites and film theatres from all over the country have joined in and held celebration open days to say, "Thank you" to the people of this country who have played the lottery and who have therefore contributed to good causes. Nowhere celebrated more enthusiastically than the Eden project in Cornwall, which is one of many excellent projects that the Millennium Commission has supported with spectacular success.

When I became a Minister in 1997, I worked on regeneration, setting up the regeneration agencies and planning. I travelled to Mevagissey in Cornwall to examine the site of the Eden project and visited the Cornish clay quarry, as it was then, in a battered old Land Rover. When someone explained the concept of a big bubble on the side of the quarry, I thought, "They must be mad", but the Millennium Commission and others had the vision to back that futuristic project, and they were right to do so. I have visited the Eden project on a number of subsequent occasions—my children have visited it, too, and I hope to take my grandchildren there this year. The project was a good investment in itself, but it has also had a considerable impact on that part of Cornwall's economy, and it is important to acknowledge the contribution of the lottery, the Millennium Commission and others.

Mr. Don Foster (Bath) (LD): Does the Minister agree that the organisers of the Eden project had a phenomenally good idea when they decided to open up the project for people to view while it was being built? They called their idea, "The big build", which was a great way to get people to take an interest in the Eden project.

Mr. Caborn: That was an excellent idea, and the specially built greenhouses in which the plants to fill the Eden project were growing also became a visitor attraction. The organisers did a lot of work to ensure that the Eden project was a success when it was eventually launched.

However, such success cannot be taken for granted. The national lottery must stay in close touch with what people are thinking and striving for, and it needs to communicate its achievements, which it has not done as well as it could have done. The lottery must develop to meet new aspirations and all those involved must work hard, respond to change and deliver the best value for public money.

Some of those changes require a new legal framework to get money to those who are not expert in the system and who need money quickly, to allow good-cause funders to raise awareness of the lottery's successes and use modern techniques to involve the public in decision taking, to get more of the money into the front line rather than into administration and bureaucracy and to improve the powers of the regulator of the lottery games.

Mr. David Drew (Stroud) (Lab/Co-op): I agree with my right hon. Friend that we must get the money to where it will be spent best, but some hon. Members have slight misgivings about clauses 7 and 8, which might allow the redistribution of balances of some elements of the lottery. He has discussed the Eden project; I am working on a project to raise money through the Heritage Lottery Fund to reopen the Cotswold canal, which relies on balances being held over on occasions until all the funding is in place. Does my right hon. Friend recognise the worry that if the Secretary of State could pilfer those funds, he might rob Peter to pay Paul?

Mr. Caborn: I recognise that worry, which I shall address later in my speech. A related concern is the question why more than £4 billion was being held in reserve at one stage. It is a matter of striking a balance, but I hope that I can reassure my hon. Friend that the Secretary of State will not pilfer anything and will act in the best interests of the lottery.

John Bercow (Buckingham) (Con): Like many Members, I am concerned about the transparency of the process. With regard to clause 14(2) and the power to

distribute funds under section 36B of the National Lottery etc. Act 1993, can the right hon. Gentleman tell the House whether the order-making power is exercisable by the negative procedure of the House or according to its affirmative counterpart?

Mr. Caborn: If hon. Members would allow me to get through more than three paragraphs of my speech I will probably answer some of their questions when I come to the relevant points.

These changes will renew the vigour of the lottery and, we hope, sustain it for the next 10 successful years. Some hon. Members may ask me about the Olympics. Let me say that the Bill does not, of course, cover the framework needed for staging the Olympic games in London. Parliament has already approved legislation to make the new Olympic lottery games possible and to set up the distributor for that money.

Pete Wishart (Perth and North Perthshire) (SNP): Will the Minister give way?

Mr. Caborn: Just give me 30 seconds.

I am sure that on 6 July, when we come back from Singapore with the Olympic games, even the hon. Member for Perth and North Perthshire (Pete Wishart) will be saying from his place in Scotland how welcome that success is for the United Kingdom.

Pete Wishart: Absolutely—I wish London great success when it comes to the bid in July. Nevertheless, can the Minister confirm that no funds will be taken from the mainstream lottery and given to the London Olympic lottery game? Is not it right that the commitment and purchases of those who continue to play the mainstream lottery should be honoured?

Mr. Caborn: The answer is yes. There will be displacement in terms of the Olympic draw. That has already been debated in this House during the passage of the Horserace Betting and Olympic Lottery Act 2004. The situation was clearly explained and the House voted for that legislation.

Let me re-cap on how we got to this Bill. The proposals are based on two rounds of consultation and involvement. The first of those was launched in 2002, with a very open agenda for change. People were asked for views on our emerging thinking and encouraged to make their own suggestions for change. What came through the reading of those reports and the subsequent comments that were made was a resounding vote of confidence in the lottery. We found that people wanted to know more about where the money had been spent and felt that it was right for Camelot and distributors to work together on this.

People also wanted more consultation and more involvement in decision making, while stressing the need for impartiality. They wanted it to be easier to apply for lottery funding and welcomed the idea of a single front door, particularly for smaller grants. There was overwhelming support for the concept of additionality and a strong belief that it was still relevant. There was recognition, too, that lottery funding needed to complement other streams of funding in order to deliver most benefit.

Although most people did not want to move to a single lottery distributor, there was support for a possible merger of the Community Fund and the New Opportunities Fund, as long as a sound case was made for rationalisation.

Philip Davies (Shipley) (Con): Does the Minister agree that far too often awards given from the national lottery money have been given to politically correct organisations that command very little support from the public, while very small organisations such as Fashion Services for Disabled People in my constituency, which command a great deal of public support, find the whole process so bureaucratic that it is very hard to get money? Will he assure me that we will have a system whereby more money goes to smaller groups that command very local public support and less money goes to politically correct groups?

Mr. Caborn: My strong advice to the hon. Gentleman is to think very carefully about which Division Lobby he goes through tonight. If he votes for the reasoned amendment tabled by the official Opposition he will continue to have bureaucracy, but if he votes for the Bill, he will streamline the process, make it effective and get money to the very people he wants to have it. *[Interruption.]* I am entitled to give the hon. Gentleman, who is a new Member, a bit of advice. I simply say that he should not believe everything his Front Benchers tell him.

Dr. Tony Wright (Cannock Chase) (Lab): People feel that there should be a connection between the amount of money that areas put into the lottery and what they get back from its distribution. There is a feeling that no such strong connection currently exists. I wonder whether my right hon. Friend could ensure that there is a stronger connection when considering the new arrangements.

Mr. Caborn: Again, if my hon. Friend will allow me to progress through the speech, I shall try to answer the question. There is no perfect solution. There will always be imbalances when deciding whether to base distribution on those who pay into the lottery or deprivation factors. However, we have tried to balance that.

Let us consider the Big Lottery Fund. In consultation, there was considerable support for bringing the Community Fund and New Opportunities Fund together. It made no sense in our view to run two separate bodies with such similar remits. Conversely, it makes sense for the Millennium Commission's residual functions, including any remaining balances of funds, to be transferred to the new lottery distributor. One body, one board, one set of overheads instead of three will mean more money for grants and cut costs and bureaucracy. The new body, the Big Lottery Fund, is at the heart of the important progressive reform that I am presenting to the House. The fund will also be the centre of lottery excellence, for example, in improving the assessment of capital projects for viability and developing cutting-edge ways of involving the public in decisions about grants and programmes.

Although the Department has not conducted any polling, we know that polls have shown evidence that the public regard health, education and the environment as important good causes.

[Mr. Caborn]

Let me consider the balances. Careful preparatory work and consultation lies behind the provisions that we are introducing to ensure that money gets to the good causes more quickly. The size of the balances that distributors build up has always been a matter of concern in the House and, indeed, outside. We have already made much progress on that. We have developed guidance on managing the balances and we have simplified the financial framework in which they operate. More recently, the National Audit Office recommended more that the Department and distributors could do and we are following that advice vigorously.

All that has helped to get money out more quickly to where it is needed and to reduce the balances by no less than one third.

Robert Key (Salisbury) (Con): The Minister has been generous in giving way but he has reached a crucial point and I hope that we will refer to it in detail in Committee. The point about the Heritage Lottery Fund is vital for cathedrals and ecclesiastical buildings. We all understand the desire to reduce balances and get the money out quickly but that is exactly what should not happen in the case that I mention. For example, the Heritage Lottery Fund estimates that, if it does what the measure suggests, it would reduce the available funds by £15 million in any year. That is almost as much as the entire spending on cathedrals and ecclesiastical buildings in the Church of England. If they are not allowed to have the money ready for the preparatory work—it takes a year to get the application in—heritage buildings could lose out seriously. I hope that we can reconsider the matter.

Mr. Caborn: With all due respect, there is a difference between £15 million and £3.5 billion. There must be balances in any organisation or business. However, the amount of the balances caused concern in and outside the House. I have rightly had to go on television and defend—or probably not defend—the position. We are holding more than £3 billion in reserves. There is a great difference between £3 billion and the few millions that the hon. Gentleman mentions. Any sensible organisation will have a reserve with which it continues to perform its functions efficiently and effectively. That does not mean holding balances of the amount that the distributors have been holding in the recent past.

Mr. Don Foster: Can the Minister tell the House whether he believes that the current balances are acceptable or too high? Will he not acknowledge that it is bizarre that the Government are going ahead when the Public Accounts Committee, which is due to report on the issue, has still not produced its report?

Mr. Caborn: When the Public Accounts Committee produces its report, we will examine that. As I have indicated, the National Audit Office has given us further advice, we have tried to introduce a more managed regime in consultation with the Treasury, and we have reduced the balances by a third already. The NAO has indicated that we need to do a lot more to bring the balances down, and if the PAC, which will no doubt reflect on the NAO's report anyway—I cannot see it departing much from that—believes that it is prudent to reduce those balances further, and if that can be managed in a proper way that does not put at risk any of the schemes, it will be in everybody's interest to consider that. That is sensible and common sense.

Mrs. Theresa May (Maidenhead) (Con): Does the Minister accept that when dealing with large-scale heritage projects, which will amount to major expenditure over a number of years, it is prudent and only right that the Heritage Lottery Fund should set aside the money for those projects as soon as it has been committed? Otherwise, it could find that money has been expended and is not available to put forward to those good causes. Does he not accept that that is prudent for the Heritage Lottery Fund?

Mr. Caborn: Absolutely, I do not disagree with that at all—what the hon. Lady has said is sensible. A balance must be struck, however, in relation to having money in the bank that could be used for other purposes and it not being there to cover that type of heritage expenditure. We have given assurances, and I will refer later to the undertakings that we have given to one of the distributors, the Heritage Lottery Fund. We have tried to take on board what we believe is a reasonable request to reduce those balances. We have done that in consultation with the Treasury and given new guidelines, and we have also taken on board what the National Audit Office has said. If the hon. Lady believes that she is the sole custodian of wisdom in this area, and far better than the National Audit Office or anyone else, that is fine, and she will table relevant amendments in Committee. I hope that at the end of the process the Opposition will defend keeping public money in accounts when it could be used for good causes—*[Interruption.]* It is public money, and if the Opposition are not going to use it, that is fine, and they will defend that at another time. Money has been drawn down and spent on good causes, probably in some Opposition Members' constituencies. There is over £1 billion less waiting in the bank now than there was two and a half years ago, and I do not believe that taking out that £1 billion has done any damage to the heritage lottery distributors or to any scheme in the pipeline. That £1 billion is helping many projects up and down the country.

What does the Bill propose? The Bill will make changes to the framework of the lottery to make it more responsive to people's priorities and to maximise the money going to good causes. Clauses 1 to 5 deal with the regulation of the lottery through the National Lottery Commission. The chairman would no longer change annually and it would be possible to have executive board members, putting the commission in the same position as the companies with which it will be dealing. Clause 6 and schedule 1 deal with amendments to the licensing structure of the lottery. As we announced in November last year, the new system is designed to deliver significantly greater competition to the licensing process with a clear presumption that there will be a single licence.

Clause 7 deals with the apportionment of the national lottery fund. The new good cause will be set up for the Big Lottery Fund covering half of lottery funding. This good

cause will be very wide so that the Secretary of State will have the power to prescribe expenditure at the highest level. She will also be able to prescribe "devolved expenditure", which will be the responsibility of country committees set up by the Bill and subject to direction from the appropriate devolved administration.

Clause 8 provides for a reserve power to re-allocate excessive unspent balances from one distributor to another in the same good cause. It would be used only as a last resort after consultation and affirmative resolution by Parliament.

Mr. Nigel Dodds (Belfast, North) (DUP): On clause 7, I welcome the fact that devolved Administrations in Scotland, Wales and Northern Ireland will be given a greater say in setting priorities, determining strategy and so on, but what will the quantum be in terms of devolved expenditure? It would be helpful to know the answer to that, if the Minister is in a position to give it.

Mr. Caborn: Such moneys will be broadly in line with current expenditure, but we are trying to change the way in which that expenditure is administered, so that it is possible to respond much more sensitively to the needs of countries with devolved Administrations.

Mrs. Siân C. James (Swansea, East) (Lab): Does the Minister agree that the Bill will give Wales and Scotland greater powers to decide where and how lottery moneys are spent, and a greater decision-making voice to communities such as mine? Does he further agree that that is a good thing?

Mr. Caborn: Absolutely. *[Interruption.]* As my hon. Friend will learn, unfortunately we get a bit of stupidity from the Opposition from time to time. We are discussing a very important issue: how we can respond to public need, in the light of consultation and opinion polling, and encapsulate it in the Bill. My hon. Friend makes a very valid contribution by pointing out how the Bill will operate, and the way in which her constituents and the people of Scotland will gain from it. We will respond to what they and others have said, but my hon. Friend will doubtless learn that the Opposition do not take this issue as seriously as they should.

Clause 9 provides for a new system of allocating investment income from the national lottery distribution fund, in the same proportions as ticket sales income, to each lottery distributor. So the first step has been taken in the direction to which my hon. Friend the Member for Swansea, East (Mrs. James) referred. Clause 10 will enable lottery distributors to seek, and to take account of, public consultation in making distribution decisions. We want the public to have a say in such matters, and this provision will remove the legal uncertainties that have proved an impediment to greater consultation.

Mr. Ronnie Campbell (Blyth Valley) (Lab): The Minister is being very generous in giving way. The lifeboat services that protect our coasts received no lottery money under the old legislation. Does this Bill enable them to claim money for the running costs of a lifeboat?

Mr. Caborn: I cannot answer that question, directly but I will take note of it. *[Interruption.]* I note as I look at my officials that by the time that the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stalybridge and Hyde (James Purnell), winds up, he will be able to answer it.

Clause 11 will ensure that lottery distributors have powers to publicise the lottery beyond their own funding areas. Clause 12 will allow the Big Lottery Fund to make grants in the Isle of Man, where people do indeed buy tickets. Clauses 13 and 14 and schedule 2 will set up the Big Lottery Fund and allow it to distribute lottery funds. The fund will also be able to distribute non-lottery funds, provided that they are within the good cause, and give advice about the distribution of lottery money and applications for grants. The fund will be required to comply with any directions from the Secretary of State relating to UK and England expenditure, and with directions from the devolved Administrations relating to expenditure in their countries.

Clauses 15 to 18 deal with the dissolution of the old distributors that the Big Lottery Fund will replace: the Community Fund, the New Opportunities Fund and the Millennium Commission.

John Bercow: The right hon. Gentleman cantered on to clause 15 and I was gravely disappointed, as I have always regarded him as a man of his word. He specifically undertook to answer my question about clause 14(2) of the Bill, proposed new section 36B of the National Lottery etc. Act 1993, and the means by which the order-making power is exercised—the negative procedure of the House or its affirmative counterpart. Perhaps he can now advise me.

Mr. Caborn: I am now looking at the explanatory notes, which I am sure the hon. Gentleman has read, and I believe that the negative procedure applies. If I am wrong, I will get back to him, but that is my understanding. I hope that I can now canter on a little further, if he will allow me, to clause 19.

Clause 19 defines charitable expenditure, in relation to the Big Lottery Fund good causes, as expenditure that is "charitable, benevolent or philanthropic". It amounts to a purpose-based approach, rather than an institution-based approach.

Good causes has been a matter of some concern, and I would like to give an absolute and clear assurance that, although we are making important changes, we are not seeking to change the scope of the good causes, nor opening up the fundamental principle of what lottery money can be spent on. When Parliament last considered the issue in 1998, health, education and the environment were added as things that are as important to people's lives as sport, heritage and the arts. The Bill reaffirms the existing good causes, whose shares we have guaranteed until 2009. We have also said that the same good causes will continue beyond 2009, and this autumn we will consult about the overall priorities to be set under the existing powers for those existing good causes.

Mr. Boris Johnson (Henley) (Con): Will the Minister explain in more detail how the principle of additionality is supposed to work in respect of health care funding? Will he also confirm whether the spending of £93 million

[Mr. Boris Johnson]

on magnetic resonance angiography cancer scanners is in any way additional to mainstream Government spending?

Mr. Caborn: During the consultation on what the populace wanted, we discovered that they viewed health, education and the environment as areas already covered by Government expenditure, but in respect of which additional expenditure should be made. I cannot comment on the specific case that the hon. Gentleman mentioned, as I have no evidence, but I can say that when people have been consulted on health, education and the environment, they have expressed overwhelming support for what we are doing. Evidence provided not just by the Government, but by MORI and others, strongly suggests that the public regard education, health and the environment as good causes that should be supported.

Miss Julie Kirkbride (Bromsgrove) (Con): Does the Minister admit, following what he has just said, that the Government's proposals breach the principle of additionality? He was generous in paying tribute to the last Conservative Government who set up the lottery on the basis of five good causes, one of which—the millennium fund—we can dispense with. The four other good causes—sport, arts, heritage and charity—were then to receive 100 per cent. of the cash. However, the Bill that the Minister now proposes offers 50 per cent. of the money to funding causes, including education, health and the environment, that have traditionally been areas of Government activity paid for by the taxpayer. The Minister may be right in saying that the public support those causes, but the Bill surely breaches the principle of additionality, despite the Minister's claims that it does not.

Mr. Caborn: The Opposition have their views and will want to canter around the course on the basis of them. Let me be absolutely clear: the results of two consultations—the ICM and YouGov polls—were strongly indicative of public opinion. The Opposition are perfectly entitled to go against public opinion. That is fine, but it is also probably why Conservative Members sit on the Opposition side of the House and Labour Members on the Government side. It is entirely their choice, but life moves on.

It may well be that what happened in the mid-1990s was right and appropriate at the time, so let us examine the history of the lottery. Some mistakes were made over huge amounts of money, but the lottery has been more successful by any standards subsequently, with more money going to good causes. Yes, there were problems with revenue and capital, but we have dealt with them. Yes, there was a problem about geographical disparities throughout the country when judged against need, but we have dealt with that, too. We have tried at least to keep in line with public opinion, which is why we conducted wide consultation in 2002. We have not chucked it in the bin as a result of people's accusations, but used it constructively.

A further consultation has been held and its findings have been incorporated in the Bill, as has the information gleaned from opinion polls. If the custodians of wisdom on the Opposition Benches so choose, they can table amendments in Committee, just as they have done today. However, I believe that the Bill conforms to the wishes of people outside the House and that it will ensure that their money is spent as they want it to be spent.

Chris Bryant (Rhondda) (Lab): I should like to try and push my hon. Friend the Minister in a different direction. Will he consider abandoning the idea of additionality? It is nonsense and a complete figment of the imagination. Additionality does not exist except as a way of saying that lottery money can go only to projects that are not getting money already from some other source. In the early years of the lottery, former mining constituencies such as mine found it difficult to get money for arts or sports projects, as they got only a quarter of the funding received by other areas, such as Henley or Bromsgrove. Bringing the priorities of lottery funding more in line with the views of constituents such as mine has been a significant and welcome change.

Mr. Caborn: There is some truth in what my hon. Friend says, but I repeat that these matters were part of the wide consultation held in 2002. Further consultation has been held since, and it was accepted that additionality was an important principle that should be embodied in future legislation. The Government have a responsibility to respond to that and to manage additionality in the best possible way. I agree with my hon. Friend to the extent that the word "additionality" presents problems because it can be interpreted in a variety of ways—*[Interruption.]* I hear giggles from Opposition Front-Bench Members, but that difficulty also existed when the Conservative Government were in power.

Another difficulty is that the principle of additionality has prevented the lottery from being as holistic in its approach as it should have been. We are trying to address that problem. I am not saying that projects can always turn to the Big Lottery Fund for money, but they will be able to seek additional funds from other sources, as long as they stay within the terms of the Bill, and give advice to other organisations. That shows that we are trying to adopt a joined-up approach to this problem. We believe that there will be benefits in terms of added value, and that results from the money that is invested will be improved. We want to move the lottery on, with the support of all those who buy tickets every week, and of the good causes that benefit.

Robert Key: Will the Minister give way?

Mr. Caborn: I will, but this is the last time, as I have been speaking for more than 30 minutes already.

Robert Key: I am grateful to the Minister, and want to help him. The most sensible thing that he has said is that the lottery should move on. I was the Minister responsible for taking the original legislation through Parliament, and I remind him that the Labour Opposition of the day fought against additionality mainly because they believed that it would reduce the takings from ticket sales. We agreed, but that is why so many of the Minister's predecessors—notably Lord Pendry—fought so valiantly against the principle of

additionality. Experience may have caused minds to be changed, but we must not forget what motivated Labour Members at the time. In those days, all the available evidence—primarily from the Republic of Ireland—suggested that acceding to additionality would cut the number of tickets sold. We have moved on since then, and we must not impugn each other's honesty on this matter.

Mr. Caborn: I disagree with the hon. Gentleman, although my colleagues may well have argued in the way that he describes. Let me offer him an example of how lottery money is used that runs counter to what he has just said. School sports co-ordinators are an integral part of the school sports partnerships, of which there are now 3,000. Under that scheme, teachers are able to devote two or three days a week to that role, and originally they were funded out of the lottery. However, that funding is now part of the core expenditure of the Department for Education and Skills. The amount of money involved is significant, and it contributes towards delivering the sports programme in schools throughout the country. The investment is sustainable, because it has been taken over by the Department for Education and Skills and, through Sport England, the money thus liberated has been put back into sport.

There are a number of other examples of how the problem identified by the hon. Member for Salisbury (Mr. Key) can be seen to work both ways. In those cases, lottery money has made a significant contribution in the first instance, but has then been taken over by core expenditure in the relevant Department. I have not prepared a balance sheet or conducted a cost-benefit analysis of these matters, but I urge the House to be careful about questioning additionality, as it cuts both ways, in the way that I have set out.

On getting money to causes quickly and balances down, let me say some more about how the Bill responds to concerns in Parliament that lottery money is not always distributed as quickly as it might be. I am hopeful that the advice from the National Audit Office will be followed, but we have made slower progress than I would have liked. I have said that many times at the Dispatch Box and outside the House. We cannot be complacent, because £2.5 billion in reserve is still a great deal of money that should be, at least in part, distributed. We can no longer be relaxed about that until more progress has been made, so the reserve powers are designed to ensure that all distributors act quickly.

Last year, the proposed new powers were misrepresented as an attack on our heritage. That attack has been echoed this afternoon. It was said that our proposals would mean less money for heritage projects. That was simply not true, and I hope that in the discussions and exchanges of letters that we have had since then, we have been able to explain that and put minds at rest. Nothing in the Bill will allow money to be taken from heritage and spent on something else. The Bill has been clarified in that respect.

Mr. Don Foster: If, as the Bill would allow, the Government were to redistribute the interest on balances in a different way from the way it is done presently, the heritage lottery fund would lose £15.7 million in the current year, as was pointed out earlier. That is a redistribution to other good causes.

Mr. Caborn: What I said was that the allocation laid down in the original Act means that the money goes to the three funds of sports, heritage and the arts. The hon. Gentleman is right in that the interest on the balances—the proceeds on the ticket sales—will be redistributed differently. However, the percentage distribution for heritage, the arts and sport and the Big Lottery Fund will be the same and the terms of reference will remain the same.

Mr. Wayne David (Caerphilly) (Lab): Will my right hon. Friend confirm that at present distributors have a perverse incentive to hold on to funds for as long as possible because they can claim the interest?

Mr. Caborn: Absolutely. The problem is not new. The distribution of regional structural funds from the European Union has experienced the same problem. Funds have not been drawn down, so the EU has started to put claw-back clauses into the agreements. That is an option that we could have taken, but we have not done so.

In 1998, Parliament approved setting up the New Opportunities Fund to distribute lottery funding to a new, additional good cause of education, health and the environment. The new good cause has been successful and popular. It has enabled lottery money to support activities that go beyond what it is right for taxpayers to fund in health, education and the environment. The charitable good cause, administered by the Community Fund, is also enduringly popular and has helped tens of thousands of voluntary and community sector bodies to carry out their important work.

I acknowledge that some have said that a Big Lottery Fund could lead to voluntary and community sector organisations losing out. I can give a categorical assurance that that will not happen. But there will be change. The alternative, of a repackaged Community Fund running a larger version of the so-called open programme for the voluntary sector, is not the way forward.

As a result of the proposals in the Bill, the voluntary and community sectors will have access to the two thirds of the Big Lottery Fund money that is currently going to the New Opportunities Fund. The Big Lottery Fund has given a clear undertaking that 60 to 70 per cent. of its funding will go directly to the sector—a significantly higher proportion than before.

In future, the Government will not—*[Interruption.]* I wish that the right hon. Member for Maidenhead (Mrs. May) and the hon. Member for Bath (Mr. Foster) would listen to what I am saying. The Government will not decide programmes, budgets or partners, as has been the case with the New Opportunities Fund. Within a framework of broad themes, outcomes and priorities agreed with the Government, the Big Lottery Fund will make all the important decisions about who, what, when and how to fund. Consultation on the emerging themes has shown a good degree of support for them and we will have more to say about that if the Bill is given a Second Reading. I underline that we are responding to what was

[Mr. Caborn]

said in the consultation, which was that people wanted more power to be given to the distributors, but with a clear direction of broad policy. That is exactly what is contained in the Bill, and it has been misrepresented by some on the Opposition Benches.

I should like to say a few words about providing a lottery for what people want and providing capital for communities. The national lottery is different: it is additional to Government expenditure and decisions are taken independent of Ministers. But it is the people's money and decisions cannot be taken in a vacuum by the great and the good. So it will not be politicians taking decisions, but it will not be the great and the good either. If the lottery is to flourish, lottery distributors must keep in touch with popular aspirations and involve people in taking key decisions. The new powers will allow them to do just that. We need a wholehearted commitment not just to consultation, but to true involvement.

Only last week, I was briefed by the acting chairman of the Big Lottery Fund. I am delighted that 3,000 people have written in response, and 2,000 have actively participated in roadshow events throughout the UK about how the fund will work. I want to see this development continue, because that type of ownership is important to the integrity of the lottery.

We consulted on the broad themes for the fund, which were described as community learning and creating opportunity, promoting community safety and cohesion, and promoting well-being. Within the final version of those themes there will be very lightly prescribed programmes, including the responsive and successful "awards for all" scheme, and there will be others in which priorities are set taking full account of ideas emerging from consultation.

At the same time as we consulted on distribution, we launched a consultation on the award of the lottery operating licence. This was prompted by the rise of new challenges to the lottery, especially other forms of ambient gambling and the less-than-smooth award of the last licence that we all remember in 2000–01. We must ensure that the lottery continues to raise as much money as possible for good causes through effective competition for the licence, and that it retains public confidence.

Drawing on the responses that we received and the work of both the Public Accounts Committee and the Select Committee on Culture, Media and Sport, we have concluded that the current system for awarding a single licence has served the lottery well in the past and should do so again. We are determined to see a successful competition for a single licence. There are improvements that the regulator, the National Lottery Commission, could consider making to the bidding process: switching to two stages; reducing information required from bidders at early stages; and possibly contributing to bid costs. Those underline our confidence that we will have a successful competition for a single licence next time. That is what we want to happen, what is best for those who benefit from lottery funding and what the commission is working to make happen.

My clear and firm presumption is that there will be a single licence awarded by competition, and that there is sufficient market interest to give confidence that that will happen. However, even though that is what we want to happen, we cannot absolutely guarantee it; it is a market, probably like any other. In the extreme circumstances—I emphasise the word "extreme"—of an unsuccessful competition, unwelcome as that would be, we would be negligent not to have a fallback, a plan B. We therefore propose to introduce a reserve power that would allow the commission to offer for competition a small number of licences to run different parts of the lottery. The commission, however, will have to be clear from the outset how it would define an unsuccessful competition, and it will take into account the uncertainty that the fallback could create among potential bidders.

We also propose that the commission be retained as a regulator of the lottery, but be strengthened by increasing the term for which its chair is appointed and offering the possibility of executive members. I believe that the prize of running this world-class—it is indeed world-class—lottery should attract credible bidders for a single licence to give us a lottery that changes people's lives, and our national life, for the better.

Here is the story so far: more than £17 billion has been raised for good causes. Sales have rallied in 2004, rising by some 5 per cent., which is a clear vote of confidence in the lottery. Balances in the banks have been reduced even further. The Big Lottery Fund has made an excellent start, working within existing powers. So the House can be proud of the story so far—not just one party has been supportive of the lottery, but all parties in the House. Regulation is working well and good cause money is well spent.

The Bill aims to ensure a fair lottery, yielding good prizes and an excellent return for good causes. We believe that the Bill will address weaknesses that have emerged and underpin the many successes. These practical improvements, built on two rounds of consultation, will further develop the lottery and confirm it as the best of its kind, probably in the world, and it will therefore be fit for purpose for another 10 years.

I commend the Bill to the House.

4.22 pm

Mrs. Theresa May (Maidenhead) (Con): I beg to move, to leave out from "That" to the end of the Question, and to add instead thereof:

"this House declines to give a Second Reading to the National Lottery Bill because it creates the Big Lottery Fund, which will take the National Lottery further away from its original purpose of providing new resources to charities, sport, heritage and the arts; because it breaches the principle of additionality and allows the Secretary of State too much interference over the direction of Lottery funds and distributors; because it fails to restore funding to the original four good causes, which have lost £3 billion in Lottery funding since 1998; and because it fails to give the public sufficient say in where Lottery funding will go."

I feel that at the beginning of this debate I should almost declare an interest because many good causes and projects in my constituency have benefited from lottery funds—not least the £5 million given to the first class Norden Farm arts centre in Maidenhead. Of course, that could be said for all Members. Equally, I am sure that we all know of causes that have bid for funds and been turned down. Sadly, I fear that as a result of the Bill more good local causes will be deprived of

funds—not because they do not have a good case, but because they do not fit the Government's ideas of what money should be spent on.

As the Minister said, the lottery has become part of our way of life. Every week, millions of hopeful Britons buy their lottery ticket, not only convinced in the knowledge that it could be them, but reassured that by taking part they are contributing to a host of good causes—that the money they donate goes to charities, to community groups, to improving the arts and sports and to restoring our heritage sites.

Billions of pounds have been raised as a result of public support for the lottery, and it is a shame that the Government do not hold the lottery in the same esteem. The Bill will lead to the lottery further becoming just another arm of Government. The Government's contempt is evident in the fact that we are only now debating this issue, when in fact the Department for Culture, Media and Sport started the administrative process of establishing the Big Lottery Fund back in October 2003. It was set up by ministerial sleight of hand, without consultation or legislation in the House, and it is extraordinary that, more than 18 months later, we are only now getting down to the nitty-gritty of the Bill—and that the Government intend that the Committee stage of the House should start and finish in October.

Mr. Don Foster: Later tonight, we shall debate a programme motion stating that deliberations in Committee must finish by 20 October. Does the right hon. Lady agree that even if the Committee were to sit on 11 October, the first day back after the summer recess—which is extremely unlikely—we should have only four days to consider the Bill in Committee? Is not that bizarre?

Mrs. May: Not only is it bizarre, it is unacceptable. It is particularly bizarre because the Minister needs to get the Bill through to establish the legislative backing for the Big Lottery Fund.

"We do not believe it would be right to use lottery money to pay for things which are the Government's responsibility."

We agree wholeheartedly—but those were not my words, they were those of the Prime Minister in 1997, spoken in the heady days of new Labour and cool Britannia—*[Interruption.]* The Minister says that he agrees with those sentiments.

Let us look at what the Government have actually done with lottery funding: £231 million has been spent on ICT training for teachers and school librarians; £93 million on hospital equipment, as my hon. Friend the Member for Henley (Mr. Johnson) pointed out; £50 million on renewable energy; £42 million on the school fruit project; and, of course, there was the £45 million that the Government snaffled to pay for the Jamie Oliver school dinners project, trumpeted by the Secretary of State for Education and Skills as the Government's solution to the school dinners crisis. How many people bought their weekly lottery ticket thinking that the money would be spent on school dinners?

None of us would argue that those are not worthwhile projects and that they do not deserve support, but we take exception to the Government dipping their hand into the cookie jar to take money from good causes throughout the country. By establishing the Big Lottery Fund, the Government will establish in law the right to fund projects, through the lottery, that the taxpayer would rightly expect to be funded direct from Government. Training for school dinner ladies and the provision of hospital equipment are things that we all expect to be paid for by the taxes that the Chancellor raises, not to come from the coffers of charities and good causes. Every pound that the Government choose to snaffle in that way is a pound that cannot go to help community groups or to preserve our historic buildings.

The Minister claimed that the Bill will turn the lottery into something holistic and joined up. I say that the Government are turning the national lottery into yet another of the Chancellor's stealth taxes. I am surprised that we cannot see a great golden hand pointing down from heaven over No. 11 Downing street, because Members should have no doubt that, increasingly, the Chancellor will be a guaranteed lottery winner without even having to buy a ticket.

When the lottery was established in 1993 by the then Prime Minister, John Major, he was clear that its proceeds should be spent on the then five good causes: sport, the arts, charities, heritage and the millennium fund, which by definition was to be wound up by the end of the last decade. He was clear from the outset that lottery money should be used for additional spending on causes and activities that the taxpayer had not been able to cover. He said:

"By 'additional', I meant in addition to those existing resources already provided by the taxpayer through the Treasury."

This afternoon, the Minister told us that the additionality principle would not be eroded. In typical Labour sleight of hand, the Government have a new definition of additionality:

"Additionality has never meant that Lottery projects should be completely divorced from public services and existing Government initiatives. They must be additional and they can be additional in many different ways."

In the words of Stephen Bubb, who heads the Association of Chief Executives of Voluntary Organisations—ACEVO:

"Good cause money mustn't be there to plug gaps in departmental budgets at the expense of charities."

The Government have carried out a smash-and-grab raid on lottery funds and the Bill will enable them to commit that crime again and again, without so much as an ASBO against them.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Will the right hon. Lady tell me the difference between lottery money given to charitable groups providing sports facilities for children and lottery money given to charitable groups providing sports facilities for children in schools as part of an extended school facility? Does that not mean that the additionality principle is not breached?

Mrs. May: If the money is given to charitable causes that choose to use it for sports facilities, whether or not on a school site, the additionality principle is not breached. However, I suggest that the hon. Lady read the Bill to discover the Government's precise intentions, because the Secretary of State will be able to direct funds in a way that was not intended when the lottery was set up.

Mr. Caborn: I give a guarantee that between 60 and 70 per cent. of the Big Lottery Fund's income will go to communities or charities. The fund will be bigger because we will have removed bureaucracy: between £6 million and £12 million will be available to the distributor because bureaucracy and administration will have been reduced by bringing three schemes together into one. I repeat, there will be a bigger pot and between 60 and 70 per cent. of the money will go to communities or charities. Whoever made the statement to which the right hon. Lady has referred is wrong about the amount of money going to charities and communities.

Mrs. May: It is no good the Minister saying that a great benefit of the Bill is that it will reduce bureaucracy, when it was the Government who created that bureaucracy when they introduced the New Opportunities Fund. The Minister claimed on the radio this morning and in the House this afternoon, both in his speech and his intervention, that one of the great benefits of the Bill is that it will reduce administrative costs and bureaucracy—but why were they there in the first place? They were there because the Government set up the New Opportunities Fund, a body that was to direct how lottery money was spent. I listened carefully to the Minister's statement about the percentage of Big Lottery Fund money that will go to charities and I am grateful to him for having made it, but we know that the Big Lottery Fund will be subject to far greater direction from the Government and the Secretary of State because that is stated in the Bill.

The Conservatives have grave concerns about the intentions expressed in the Bill. That is why we, with Liberal Democrat Front Benchers, have tabled a reasonable amendment—

Mr. Don Foster: And a reasoned one.

Mrs. May: I am grateful to the hon. Gentleman. I consider the amendment to be both reasoned and reasonable. We are not playing party politics. Our aim is to protect the good work of a body that has had a lasting impact in communities throughout the country. It has restored historic buildings to their former glory, helped young people to achieve sporting greatness, supported local charities and funded arts projects. We must not allow it to become the Government's milch cow, to be milked by Ministers at will.

Chris Bryant: I understand the right hon. Lady's argument, but from the viewpoint of a constituency that is very different from hers, the Bill looks different. The original aims of the lottery were framed very much around a middle-class understanding of charity. The aims introduced in more recent times have made access to the funding much more possible for constituencies such as mine. Rhondda does not have many great historic buildings, or an opera house, or even a rowing museum. For some constituencies, especially former mining constituencies, it is extremely important that the lottery has been rejigged so that it meets the needs of the whole country, not just the needs of constituencies such as hers.

Mrs. May: The hon. Gentleman refers to the big architectural and heritage projects, and of course not every constituency has one of those, but every constituency can benefit from money going to local arts projects, sports and charities. It is interesting that he comments on the amounts going to different constituencies, because it is my understanding that the top 100 constituency beneficiaries of national lottery distribution contains a significant—indeed, overwhelming—number of Labour seats.

I am not making any claims about the political distribution. It is an interesting reflection that the hon. Gentleman is claiming that seats such as his do not have the ability to benefit from the lottery. My argument is that they have that ability, as set out in the clauses of what became the 1993 Act. Local sports clubs and arts projects can benefit, and should be benefiting, as well as local charities. That was the point of the lottery. Under the terms of the Bill, the Government are abandoning the idea that was crucial when the lottery was first established, namely, that distribution should be at arm's length from the Government.

Mr. Caborn: Things have moved on.

Mrs. May: The Minister keeps saying that things have moved on. His argument is that the Government can now take the lottery money and spend it for themselves, and that that is all right because we are 10 years on and things have moved on. That is not what the issue is about—it is about how the money that people think goes towards good causes should be distributed and whether the Government should be able to direct that money.

Mr. Caborn: I remind the hon. Lady that there have been two consultations. A number of opinion polls have been conducted, not by the DCMS or the Government, but by others. All the polls have indicated that people want health, education and the environment to benefit, and that has been happening since 1998. Full support has been given to what is in the Bill. I am talking about people who have been consulted. Does the hon. Lady reject the consultations? That information has come out following the two opinion polls to which I referred in my speech.

Mrs. May: I doubt whether the consultations gave full support to exactly what is in the Bill. As for the Big Lottery Fund, we have seen what has happened over the past few years given the Government's stealthy encroachment on the lottery. The percentage of the lottery over which Government have potential control has risen from an original 13 per cent. to 33 per cent. and now to 50 per cent. That is what the Bill does. In establishing the Big Lottery Fund, the fund will take 50 per cent. of the lottery proceeds to be allocated for prescribed expenditure, that being

"expenditure of a description prescribed"

by order of the Secretary of State.

On the maths that I have just set out, one does not have to be Carol Vorderman to see where the Government are taking us, which is to a single lottery distributor that is doing the bidding of Ministers. We believe that the lottery should be independent of Government but accountable to Parliament. It should not become a tool of Government.

I shall give some more specific examples. The Bill will change the meaning of charitable expenditure in relation to lottery funding from expenditure by charitable, benevolent or philanthropic organisations to expenditure for a benevolent or philanthropic purpose. We realise that the Prime Minister sees himself as a benevolent ruler, but as a party we are not prepared to hand over the purse strings of the lottery for the benevolent use of his Ministers.

Pete Wishart: Opinion polls are being cited by the Front Benches, but we have found that 77 per cent. of respondents would like a say in decisions on which of the causes lottery money should be spent. Does the right hon. Lady think that that view should be taken seriously?

Mrs. May: I was going to mention that. During the election, we put forward a proposal to give people a much greater say in how lottery money should be spent. I think that there is value in trying to find ways of doing that.

We are concerned that the Big Lottery Fund will be required to comply with policy directions issued by the Secretary of State, whereas the previous rules only required the community fund to take account of the policy directions given to it.

Mr. Martin Horwood (Cheltenham) (LD): Will the right hon. Lady give way?

Mrs. May: If the hon. Gentleman will let me make a little more progress, I will give way to him.

The Big Lottery Fund will have to comply with directions from the Secretary of State rather than taking account of them, as happened previously. In one stroke of the pen, the Secretary of State is scooping up powers to dictate the direction of lottery funds.

Mr. Horwood: Does the hon. Lady remember that the clause that her party put into the 1993 Act provided that:

"A body shall comply with any directions given to it by the Secretary of State"?

Mrs. May: Indeed; there has been such a power throughout the lottery's existence. At the beginning, it was thought necessary to have a provision to ensure that lottery funds were not spent improperly or inappropriately. However, the Secretary of State will now prescribe expenditure by the Big Lottery Fund. He will set out ways in which it should channel its funds, and the purposes on which those moneys should be spent. Bit by bit, the Government have put their hand into the lottery pot. That change fundamentally undermines the independence and integrity of the grant-making system, along with, sadly, the esteem in which the lottery is held by the vast majority of the public. That undermines the independence of the Big Lottery Fund to determine its own strategic direction and to make decisions free from interference. We must not allow the Secretary of State to manipulate charitable works and good causes for political motives.

I am concerned that the legislation enables the Secretary of State to make orders specifying amounts and periods of lottery expenditure. I freely acknowledge the improvements in drafting that resulted in the draconian powers of the first National Lottery Bill being consigned to the wastepaper bin, but there is little doubt that the level of prescription is still too great. The Minister will know that many charities and organisations have expressed concern about the Secretary of State's new powers to move funds between lottery distributors. Ministers have said that that power would be used only as a last resort, but the sad truth is that those assurances only confirm that those powers are there for a reason. They can be used against good causes that do not please the Minister. If they are not used, they can be held as a big stick above charities' heads. The director of the National Council for Voluntary Organisations said:

"NCVO remains concerned that the lottery Bill still gives the Government too great a degree of control over lottery funding. There also remains no requirement on the Secretary of State to consult anyone outside of Government before making orders, issuing directions or defining expenditure".

Charities are deeply worried about the implications of the Bill, and we should listen to them.

It is not only the charities that are worried. Earlier, a number of hon. Members, including the hon. Member for Stroud (Mr. Drew) and my hon. Friend the Member for Salisbury (Robert Key), expressed concern about the redistribution of balances, and there was an exchange with the Minister.

Mr. Caborn: May I make clear what is actually in the Bill? Balances will not be moved from one good cause to another, but the interest accrued on those balances can be moved. The right hon. Lady, however, is talking about balances, which cannot be moved from one good cause to another.

Mrs. May: The point that I was making was a simple one. If the Minister would listen to the whole argument, he might understand it better.

The Bill does two things—it allows for the redistribution of interest, as the Minister said, but it also allows for the movement of balances from one distributor to another. The Government could therefore require that money held by the Heritage Lottery Fund for works on a heritage site be assigned to the Big Lottery Fund to distribute. The Minister has suggested that the money could be distributed for heritage purposes, but it can be moved to a different distributor for allocation. As I said in my intervention on the Minister, the whole point of the Heritage Lottery Fund is that it has been set aside for particular projects, so there is little point in moving funds from one distributor to another unless the intention is that the balances should be spent differently. If that is the case, who will tell the heritage project that comes to ask for its money that it cannot have it because the Government have decided that someone else should distribute it?

It is evident from the Bill that the Government have failed to understand what is needed to breathe new life into the lottery and to secure the resources for good causes into the future. The spin from the Government is that the public will have a greater say in where the money goes. Indeed, as I said in response to an intervention, that is something for which we argued in our manifesto at the general election. In recent weeks, we have seen the new "big idea" to restore support for

[Mrs. May]

the lottery. The people's millions project will give the public a chance to vote for good causes that they see on "Coronation Street" or "GMTV". The Secretary of State said it was

"a big say in how lottery money is spent".

Since its inception, the national lottery has donated more than £16 billion to good causes. The people's millions project totalled £66.5 million. That equates to little more than 1 per cent. of lottery grants in any one year. This is not a big say; it is a big con.

We want to restore the public's faith in the lottery by giving them a greater say in how money is spent. Public confidence has been undermined by the Government's misuse of lottery funds and by the politically correct awarding of grants. It is time to take the Chancellor's hand out of the lottery till. If the Bill becomes law, we will be establishing not the people's lottery, but the Secretary of State's lottery. That is why we tabled the reasoned amendment. I urge my colleagues and all those in the House who want lottery funding to continue to go to good causes to support it.

4.45 pm

Mr. Wayne David (Caerphilly) (Lab): When the national lottery was established by Act of Parliament in October 1993 and then brought into existence in November 1994, there was, it has to be said, a great deal of concern. People thought it a wrong-headed idea that would not generate the resources that were anticipated or claimed by some. There was concern, too, that it would undermine the morality of the country.

I am pleased to say that that has not been the case. The lottery has been very successful—so successful that it is estimated that some 70 per cent. of the people of this country regularly play one game or more. Although some people have pointed to a gradual decline in participation since 1997–98, that modest decline has been reversed, and in 2004–05 we saw an increase in the income generated and in the number of people participating. That has happened to such an extent that we are able to say that, to date, some £16.8 billion has been raised by the national lottery; 50 per cent. of that has been allocated to prizes and 28 per cent. to good causes. In other words, the lottery has been a success; indeed, it is one of the most successful lotteries of its kind, if not the most successful, in the world.

The lottery was established under a Conservative Government, and in its early days, as has already been said, there was some suspicion that grants were being allocated disproportionately, to the benefit of villages and towns in the Tory shires. That may or may not have been the case, but it was certainly the perception. Since 1997, however, the allocation of grants has certainly been scrupulously fair, to the extent that every constituency in the country has benefited from at least 50 lottery grants, most having had a great deal more, irrespective of their political complexion.

At the risk of being parochial, I must say that I think my constituency is a good example of how the national lottery has brought real benefit to grass-roots organisations. It has already been suggested in this debate that small groups are not able to access funds effectively. The reality is somewhat different, and the case of Caerphilly proves my point. A few examples will suffice. In July 2004, the Bargoed YMCA in the top half of the Rhymney valley received a £4,600 grant to fund a summer activity scheme for young people. It was enormously successful. The grant helped to pay for workshop costs, materials and outdoor activities for the young people of the community. Another example, from further down the valley, is that of Ystrad Mynach old-age pensioners. In October 2003, they received a grant for £1,960 to pay for such things as bingo machines, a projector screen, catering and amplification equipment for their pensioners' hall. They also had resources to pay for the trips that they enjoy during the summer.

In another part of my constituency, the Nelson and Llancaiach civil and historical society received in January 2003 a grant of £2,040 to help pay for educational projects in the area and for historical visits. Last but not least in the category of small grants is the Aber Valley YMCA, which received in September 2003 a grant of £5,000 to help with the cost of refurbishments. With the help of the local authority and money from the European regional development fund through objective 1, that YMCA has been one of the most successful ventures of its kind anywhere in the south Wales valleys. In fact, it has been so successful that it has received numerous awards. The national lottery has made a significant contribution to the success of that regenerated YMCA. Indeed, I was there only this Saturday to hold one of my advice surgeries, and I saw at first hand the excellent work that was being done for the community generally and for disadvantaged young people in particular.

One of the finest examples in my constituency of effective use of lottery money is at St. Cenydd comprehensive school. Some £1.6 million has been provided from the New Opportunities Fund to pay for a four-court sports hall, a dance studio, a multi-gym and changing rooms. St. Cenydd is a large comprehensive school with some 1,150 students, and although the facility has been open only a few months, the school has already derived tremendous benefit from it. Moreover, it has been made open to the local community as well.

Those are practical examples of how the national lottery is benefiting people on the ground. If things are going so well, it might be asked why we need to change them by introducing the Bill. I suggest that there are three overwhelming reasons why. First, the legislation will give formal status to the Big Lottery Fund, bringing together what is already happening in practice in respect of the Community Fund, the New Opportunities Fund and the Millennium Commission. As the Minister said, it will provide simpler rules, making it much easier for applicants to make submissions and receive the funding that they need. Things will be much more straightforward and easier to understand, and it will be easier to access the money.

The second point is fairly obvious, but it is important none the less: efficiency savings will be achieved because of the merger. The fund will significantly reduce administration and bureaucracy, which will mean more money for the desirous causes that we all want to receive the necessary support.

Thirdly, the merger advocated in the Bill will enhance the involvement of the citizens of this country. It will bring about greater public involvement in the national lottery by helping ordinary people in a variety of

different ways not only to set lottery priorities, but to determine which awards are allocated to different projects. As I understand it, a range of options are being considered. One is the introduction of citizens juries, and telephone surveys are another possibility. Award panels could also be established, and we could have voting for individual projects.

Significantly, the Bill specifically advocates greater co-operation with the devolved Welsh Assembly and Scottish Parliament, which I welcome as a Welsh Member. There is already effective co-operation between the national lottery and the Welsh Assembly, and I am sure that it will increase significantly if the Bill is passed. The Bill strikes the right balance between reinforcing the fact that this is a UK or national lottery and recognising the scope for greater participation by the devolved Administrations. Striking the right balance is difficult, but the Bill achieves it.

We are discussing large sums of money that belong not to the distributors or to the Government, but to the people who play the national lottery week in, week out. Earlier this month, the Big Lottery Fund announced a new partnership with ITV to create a series of programmes called, "The people's millions", in which ITV will encourage regional and national competition and the winners will get money to support transformation projects. Some 50 grants of £50,000 will be available, and I anticipate that at least three of them will be made available in Wales.

I welcome that initiative, which builds on the excellent example set by the recent BBC2 programme, "Restoration", which was an extremely popular programme that mobilised people in local communities to get together, to make submissions and to take pride in participating in a viable bid. In my area, one project in particular, the so-called "Memo" or Memorial hall in Newbridge, has been extremely successful in getting people together to support its strong bid, which was the runner-up in the final of "Restoration". The hall is in the Islwyn parliamentary constituency, but it falls within the Caerphilly County borough council area. Although the bid was unsuccessful on the last lap, it successfully pulled together the community, and a number of other initiatives have taken place. I hope that the new programme is as successful as "Restoration", that it helps to open a new chapter in the history of the national lottery and that it shows that people can get involved in the revitalisation of their communities, given sufficient political will and imagination.

I support the Bill for a number of other reasons, of which I shall briefly touch on two. Excessive balances are not a problem if they are reduced quickly, but if balances are held on to and significant interest accrues, it is right to take action. Distributors currently have a perverse incentive to hold on to balances for as long as possible in order to benefit from the interest, which is a ridiculous situation that undermines the positive ethos behind the national lottery. I am pleased that the Government are taking a reserved power to reallocate such money as and when it is necessary to do so.

The Bill provides the new Big Lottery Fund with greater strategic power. Many people are cautious when they apply for lottery funding and ask, "It is all well and good if we receive a reward and put it to good use, but what will happen afterwards?" They are often concerned about their project's sustainability, and it would be a huge step forward if the national lottery were to provide strategic advice and support to allow projects to become truly sustainable. That would be good in itself, but it would also boost confidence and help projects to make a long-term commitment to benefit particular communities.

Match funding is often a difficult issue for applicants, and the Big Lottery Fund should be able to provide more effective advice about it. The Big Lottery Fund could also manage funds to ensure that the community gets the best possible rewards from applications and funding.

I am truly delighted that this important piece of legislation is having its Second Reading today, early in the life of this Parliament. It is important that we consider the issues before us calmly and rationally. If the Bill passes its Second Reading, it will make the national lottery even more of a success story than it has been so far. I am a firm supporter of the national lottery, as are many of my constituents. We want to recognise the success that has been achieved but also to recognise that we can go a lot further with this Bill.

5 pm

Mr. Don Foster (Bath) (LD): I am delighted to follow the hon. Member for Caerphilly (Mr. David). The House owes him a great debt for raising several issues that are not covered in the Bill but which perhaps should be. I particularly welcome his comments on sustainability and support for organisations looking for match funding.

As the House will have noted, my hon. Friends and I are joint signatories to the reasoned—and, indeed, reasonable—amendment.

Mr. Caborn: It is a Liberal-Tory alliance.

Mr. Foster: Notwithstanding the heckling that I am getting from the Minister, I echo many of the points made by the right hon. Member for Maidenhead (Mrs. May).

The Minister was not as brave as I am about to be in pointing out that when the national lottery, which he now champions so vigorously from the Front Bench, was first mooted and debated in this House in 1993, my Liberal Democrat colleagues and I, and indeed the Minister and his colleagues, voted against it. I am at least prepared to say, in view of all the very good work that has subsequently been done by the national lottery, that we may have made a mistake.

Hon. Members have already referred to the significant amount of good work that has been done with the nearly £17 billion expended since the national lottery came into operation in 1994. I noted with considerable interest the large number of projects mentioned by the hon. Member for Caerphilly that have benefited his constituency. The House need merely surmise what are the differences between his constituency, where a large number of small organisations have benefited, and that of the hon. Member for Rhondda (Chris Bryant), who tells us that organisations in his constituency are having huge difficulties.

In my constituency, we have reaped enormous benefit from the national lottery. More than £50 million has been spent on projects as diverse as the new sports

[Mr. Foster]

training village at Bath university—a facility that I am convinced will assist us in attracting visiting teams for the 2010 Olympics and Paralympics if we are, as I hope, successful in winning in the bid on 6 July. Money has gone to the Michael Tippett centre at Bath Spa university college, as has funding for what will, in due course, be our fantastic Bath spa project.

The national lottery remains enormously popular, and despite a dip in sales over the past couple of years, sales are again rising, with even more money going to good causes. However, that is not to say that everything is right with the lottery. The current Government's record is frankly disturbing. Time and again, they have breached the additionality principle set out by John Major when he first proposed the national lottery back in 1993. It is worth putting it on the record that the Prime Minister said:

"We don't believe it would be right to use Lottery money to pay for things which are the Government's responsibilities."

Despite that, that is just what they have been doing.

The Minister, who is still with us, albeit at a distance, referred throughout his contribution to opinion polling. I remind him of the YouGov poll in *The Guardian* a couple of years ago, which showed that almost three quarters of the population believe that it is "vitally important" for lottery funds to remain independent of Whitehall interference. Yet we have witnessed Government interference. In my view, it is not surprising that the Select Committee on Culture, Media and Sport report of 2003–04 states:

"We believe that the additionality principle is being eroded."

That is what a Committee with a majority of Labour Members said about the issue.

The prime example of that breach of additionality was the establishment of the New Opportunities Fund in 1998. As we have heard, since that time, some £3 billion has been awarded to education, environment and health projects, including MRI scanners, and, as the right hon. Member for Maidenhead said, giving a piece of fruit a day to children aged four to six. Although no one doubts that those are worthy causes, do they breach the additionality agreement? I believe that they do. It was interesting that, when the Minister intervened on the right hon. Lady, he made it clear that that extent of Government interference would never happen again. That is a clear admission that the Government are guilty as charged.

Several debates could be held about the definition of additionality. The hon. Member for Rhondda rightly said that we need to tackle what we mean by additionality—even Labour Members are uncertain and unhappy. I remind the Minister of the words of the former arts Minister, Estelle Morris. In an article in the *New Statesman* on 8 October last year, she said:

"I'm going to be a bit contradictory about my own government now . . . it isn't an issue of whether the government . . . *does* fund it, it's whether it *would* fund it."

I therefore hope that the Bill will give us the opportunity to resolve once and for all what we mean by the additionality principle. I hope that we get a consensus and will perhaps consider doing exactly what the Minister said only a few minutes ago. He said from the Dispatch Box that future legislation should embody additionality. Those are his words, not mine. Let us hope that he will agree to include in the Bill something, which we can all support, about additionality. We can then expect the Government and future Governments to stick to it.

I hope that, if we formulate a new definition of additionality, we shall take account of the suggestion of the National Council for Voluntary Organisations. It stated:

"Funding from lottery distributors must be additional to that which is properly funded by government and not a substitute for it. It should not be used to fund essential services or government-inspired programmes."

The last point is crucial and could form the new part of the definition. Such a definition of additionality, which implies that it is not for the Government to dictate on what lottery money is spent, would go a long way towards reassuring all parties and, more important, the people of the country who have said that they do not want Whitehall interference.

I hope that we will agree to do more about a recommendation from the Culture, Media and Sport Committee. It suggested that there should be an annual report to Parliament about the application of the additionality principle. I hope that we will accept that. I also hope that the Minister, or the Under-Secretary who replies to the debate, will assure us that, if the Government are so keen on separating Government funding and lottery funding, they might agree to produce their annual reports rather differently. The annual report currently conflates lottery money and Government money and makes it hard to understand which is which. It leaves open the opportunity for the Government to claim credit for projects that were funded by the lottery. That happens all too often. The school dinners project was one example of that.

Having said that the Labour Government have been guilty of dipping their fingers into lottery money and claiming the credit, we at least ought to put it on the record that the Conservative party is not as innocent as it would have us believe. I am sure, Madam Deputy Speaker, that you read, as all Members will have read in great detail, the Conservative party's manifesto at the last election. You will therefore have seen that that manifesto introduced a school sports scheme to be called "Club to School", with funding of £750 million. Where was that money to come from? The House has guessed it—from the lottery.

We have already had debates about some good and bad aspects of the Bill. Of course, the Bill has some good points: it provides a legal framework for the creation of the Big Lottery Fund, which has already been created, but is a proper legal framework. While we opposed the creation of the New Opportunities Fund, continue to oppose it and believe that activities should no longer take place under the Big Lottery Fund, if the Government are to force the proposal through against our wishes, there will at least, as the hon. Member for Caerphilly pointed out, be benefits in terms of savings on administration and economies of scale amounting to between 10 and 20 per cent. of expenses a year, which would release £6 million to £12 million a year for good causes. We would prefer the NOF activities not to go ahead at all, but if they are to do so, at least that makes sense.

I have one particular concern, and I should be grateful if the Minister would intervene to clarify the point. He, the acting chairman of the Big Lottery Fund and the Secretary of State have all said that they will make sure that 60 to 70 per cent. of BLF funding will go to the voluntary and community sector. I am grateful for those assurances, and I hope that the Minister will be prepared to include that in the Bill. What exactly does he mean, however? As the right hon. Member for Maidenhead pointed out, the Bill changes the definition in relation to areas of funding. It changes the definition of charitable expenditure in relation to lottery funding from expenditure by charitable, benevolent or philanthropic organisations to expenditure for a charitable, benevolent or philanthropic purpose—there is a big difference between the two. The House will be aware that the provision of education is defined as a charitable purpose, which could mean that rather than going to charitable organisations, money could go to the local education authority sector for the provision of education. Will he therefore intervene and tell me whether or not that commitment of 60 to 70 per cent. is to be given to organisations? I am waiting, and he is not replying. We will get an answer at the end, and I look forward to it.

Mr. Hugo Swire (East Devon) (Con): Is the hon. Gentleman as intrigued as I am that 60 or 70 per cent. of the BLF funds are going to that category? By our calculation, that leaves about £270 million. What does he think that the Government might do with that?

Mr. Foster: Well, the House will have heard absolute assurances from the Minister that he will do nothing. Whether or not the Government get their sticky little mitts out remains to be seen. Notwithstanding his assurances, the problem, as the hon. Gentleman knows only too well, is that there is so much in the Bill that allows the Government to get their sticky little mitts on lottery funding.

To return to some of the positives, I genuinely welcome the fact that if the Bill is passed the Big Lottery Fund will have the power to distribute some non-lottery money, although I hope that we can have absolute assurances that the person or body giving that money to the BLF will not be able to subvert the way in which BLF money will be used. I also hope that this will not result in the Big Lottery Fund's becoming increasingly like a Government agency. However, we welcome the broad principle.

We also welcome the fact that the Big Lottery Fund will be able to give out loans as well as grants. That will enable greater flexibility in the activities that it conducts and, more importantly, supports. We look forward to receiving in Committee more detail on how those loans will work in practice. We further genuinely welcome the move towards the public's greater involvement in deciding how lottery money is distributed—a mandate that is clearly implied in clause 10. However, like the right hon. Member for Maidenhead, we would argue that we need to go further, subject to a number of clear caveats. If my hon. Friend the Member for Cheltenham (Mr. Horwood), who is expert in these matters, manages to catch your eye, Madam Deputy Speaker, he hopes to develop some of these points in more detail. The House would do well to listen to his views.

It is worth remembering the research carried out by the Big Lottery Fund, which found that nine out of 10 lottery players believe it important that the general public are involved in deciding where lottery funding should go. Reference has already been made to the best example so far—the two wonderful series of the BBC's "Restoration" programme. Some £5.5 million of lottery money was distributed to the winners of those two projects. More recently, the "People's Million" scheme was announced, and as the Minister rightly pointed out, this is only the start. We know that there are a number of projects to follow, in conjunction with GMTV and others, through which the money, and the percentage of money, will increase.

I should point out that we need to be careful when we talk about public involvement in decisions. I certainly welcome the Big Lottery Fund's statement, in which it pointed out that when the public are involved, they will not be

"asked to choose between projects where there is a large imbalance in their levels of popularity."

Rather, they will be asked to choose between similar projects that are perhaps in different locations or run by different organisations. That is right and proper, but I hope that in Committee we will debate the need for the decisions and involvement of the public to be based on their ability to make informed choices. That means more education.

Last year, ICM conducted a poll that showed that the majority of members of the public believe that as much money is given to asylum seeker organisations as is given to organisations supporting disabled people. The reality, of course, is that almost 10 times the amount of money that is given to asylum seeker organisations is given to those supporting disabled people. I will happily place on the record that I am delighted that asylum seeker organisations get lottery grants, and I hope that they continue to do so. Alongside increased public involvement in decision making, there is also an important need, therefore, to improve public awareness of where the money is going.

I turn from some of the welcome aspects of the Bill to those that give us real cause for concern. There has already been a debate about the rather bizarre difference, whereby the Big Lottery Fund has to comply with directions issued by the Secretary of State when allocating funds, whereas others need only take such directions into account. My hon. Friend the Member for Cheltenham has rightly pointed out that the 1993 legislation already effectively empowers the Secretary of State to instruct the various lottery distributors in these matters, so why is there this strange difference?

If the intention is to put much greater pressure on the Big Lottery Fund than on other distributors, it will be rather difficult for Sir Clive Booth, who is doing a tremendous job as acting chairman of the Big Lottery Fund, to stick to the commitment that he gave when he said that the days of the Government issuing instructions over lottery cash for schemes such as the distribution of fruit to schoolchildren were gone. Organisations such as the National Council for Voluntary Organisations have raised real concerns about the clause. As that body points out:

"The new distributor must be free to set its own strategic direction and make decisions without interference".

I entirely agree.

[Mr. Foster]

One particularly bizarre point about the clause is why it contains no reference whatever to the need for the Secretary of State to consult before making any direction. The Minister is well aware that only last year the Government entered into a compact with voluntary organisations, which made it absolutely clear that consultation between the respective bodies of the Government and the voluntary organisation was paramount. If it is paramount in the compact, why is the requirement for consultation not built into the Bill?

Clauses 8 and 9 have already been touched on. Clause 8 gives the Secretary of State a new power to reallocate funds from one distributor to another—amazingly, without having to consult the National Audit Office before doing so. In view of the Minister's reliance on the NAO's report thus far, one would have thought that a requirement to consult that body before any action is taken would be part of the Bill. I have already pointed out that the clause is bizarre in any case, given that the Public Accounts Committee has not yet reported on the matter.

The Minister has said—the briefing and explanatory notes also make it clear—that the power in the clause will be used only as a last resort if the distributors, according to the explanatory notes, have

"failed . . . to reduce balances to a reasonable level and there were serious concerns about the ability of a distributor to act economically and effectively."

If that is the case, I hope that the Minister will be prepared to consider putting that commitment expressly in the Bill.

I acknowledge that the clause represents a change from the previous Bill and I am grateful for that. At least we now have an assurance that the same good causes will continue to receive the money, irrespective of whether a different distributor provides it. I welcome that move, which followed huge opposition by the Liberal Democrats and many others to the initial proposals. Despite that change, however, the clause still hangs like a sword of Damocles over the heads of trustees. It seems to encourage them to get money out of the door at a faster rate than they would otherwise view as appropriate. That has happened because the Government seem genuinely to have misunderstood the way in which balances are managed and the requirements of project funding. We have already heard examples of the impact on the Heritage Lottery Fund.

It is worth recalling what the NAO, to which the Minister has so frequently referred, actually said in its report of July last year. It argued that

"large projects can take a long time to complete and involve the payment of grants over a number of years".

As a result, it continued,

"there can be considerable time lags between distributors making commitments to pay grants and grants actually being paid."

The NAO acknowledged that that would happen, so balances should not be reduced just for the sake of it.

Why are these additional powers necessary in any case? After all, the Department already has significant powers over lottery distributors, whose annual business plans have to be approved. If there is such concern about the level of balances, it is bizarre that the Department did nothing about it during its annual discussion of business plans. As we have already heard, the 1993 Act gives the Secretary of State the power to deal with such problems. Ultimately, the Government can abolish any non-departmental public body deemed not to be doing its job effectively. I therefore want the Minister to explain why clause 8 is necessary.

Will the Minister reaffirm one assurance that he may already have given, albeit obliquely? If these powers are employed and a different distributor is used to distribute money in one good cause area, will he assure us that that will not endanger any commitments to existing projects?

Clause 9 is an additional way of discouraging balances from being held in the national lottery distribution fund, and it introduces a new way of calculating the interest on such balances. I do not need to go into the matter, because the Minister has admitted that the implication is that the Government will be altering the allocation of money among good causes. He has acknowledged what the NAO said—that the clause will leave the heritage lottery fund nearly £16 million a year worse off. If that is what the Government want, that is fine: they can go ahead and implement the provision, but they will not have the support of Liberal Democrat Members.

The Bill contains a reserve power in respect of the ability to break up the licence. We accept that the Government's aim is the same as ours, and that they want to ensure good competition in the next round of licence applications. The Government appear to acknowledge what they rejected a few months ago—that a single licence is much preferable to one that is broken up. I hope that the Minister can assure the House that the licence will be broken up only as a last resort, as that is the approach that we support. We believe that a single licence with good competition is the best way forward. Breaking up the licence could reduce the amount of funding available and the potential for economies of scale, while raising overheads.

I know that other hon. Members want to contribute to the debate, so I shall not touch on the many other matters worthy of comment. However, I have a real problem with clause 11, about which I hope that the Under-Secretary will speak when he winds up. It looks pretty innocuous. It enables distributors to encourage participation

"in activities relating to the National Lottery in general."

In other words, it seems to imply that distributors can get involved in promoting the playing of the national lottery. Yet we already have a national lottery promotion unit, and promotion of the lottery is also Camelot's job. I am surprised that the Government now suggest that individual distributors should also engage in that activity. The best way to give a pound to charity is to donate that pound directly. Donating through the national lottery means that only 28p in the pound is made available.

We have various concerns about the Bill and some of its underlying principles, but our main worry is that the principle of additionality will be eroded further and that the independence of lottery funds will remain in jeopardy. As I said in an intervention earlier, it is bizarre that the programme motion suggests that there will be only four days in Committee—and possibly even

fewer—for consideration of the Bill. That is why my party will vote against Second Reading and the programme motion later on this evening.

5.28 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): As previous speakers have noted, this debate is taking place in the context of rising lottery sales—an increase that bucks the global trend. Moreover, the overall volume of lottery grants since 1994 now totals nearly £17 billion. This is a necessary debate on a Bill that will extend the reach of lottery funding even further, thus building on this Labour Government's previous efforts to spread the sums available more fairly. The Tories may have created the lottery, but Labour has taken action to distribute funds more equitably.

I welcome the measures in this Bill, which are designed to bring the funds created by the lottery closer to the people who spend their money on tickets every week, year in and year out. I am especially pleased that the Bill contains a new strategic emphasis for the distribution of funds. That three-part emphasis focuses attention on promoting well-being, on community learning and creating opportunities, and on community safety and cohesion. That emphasis is important, because it recognises not only the principal motivating factors that propel people to work on behalf of their community, but the crucial preconditions for creating successful neighbourhoods—the feeling on the part of those who live, work and play in any given community that they belong and have a valuable contribution to make to that community and its well-being.

The strategic direction outlined in the Bill should therefore result in a grant distribution system that is fairer and more effective than it has ever been before. Indeed, the evidence that that will be the case is already there, with the first wave of funding programmes already announced, including £155 million for children's play, £354 million for environmental programmes—including a welcome £90 million for parks—£165 million for well-being programmes, and £155 million for investment in the infrastructure of the voluntary sector. The latter programme is especially pleasing because it recognises and underlines the importance of the voluntary sector in the Bill in building and maintaining cohesive and successful neighbourhoods, as my right hon. Friend the Minister pointed out. It recognises that not everything can be done by the state and that in some instances the job is best done by those who are most knowledgeable about what it is that actually needs to be done.

The services I am talking about, which provide the glue that holds many of our communities together, are familiar to all of us. We have services, for instance, that play a huge role in providing things to do and places to go for young people. In my constituency, the lottery has already made grants available to the High Green scouts, the Stocksbridge scouts and the Ecclesfield guides. Those groups, like many others that deliver services for young people, do great work, helping young people engage in purposeful activities and negotiate their way through the sometimes difficult transition to adulthood.

In my area, the lottery has also funded several self-help voluntary groups, such as the Appletree after-school club in Grenoside, the Busy Bees toddler group in High Green and the Hillsborough one-parent group, all of which provide either pre-school or after-school activities. Some £750,000 has been allocated to the Hillsborough community development trust for the refurbishment of a sports pavilion, a project that will not only play a key part in the regeneration of Hillsborough park, but help to sustain the availability of high quality sports facilities for local people. That is a particularly important investment, given the recognised need to increase the level of, and participation in, sporting activities on the part of most people if we are to reduce levels of heart disease and diabetes. It is a very appropriate investment for lottery funding.

On a more modest scale, the Grenoside Young at Heart and Agewell group has been given small sums, year on year, to fund dance and exercise sessions, as well as day trips and Christmas dinners. That is a valuable grant that recognises the importance of exercise and social interaction in maintaining good health as one grows older. Last, but not least, we have Action for Stannington, which has been awarded nearly £15,000 to establish a recycling culture in the village.

All those services are delivered to a significant degree by the people living in those communities, and that is why they are successful. The activities are shaped and delivered by local people who understand best the needs and aspirations of the communities they serve. They are essential services, but delivered voluntarily and at highest quality. It is therefore pleasing to find that the Bill will follow that principle and take the funding of facilities closer to the communities that need and use the services eligible for lottery funding. It will maximise the social return on the investment that is made week after week by those who buy tickets in the national lottery.

I am also pleased that the Bill will simplify the process for applying for lottery funds, with a suggested extra yield from that measure of between £6 million and £12 million. That will result from a reduction in bureaucracy and administration costs, which will surely be welcomed by all hon. Members, given the nature of the debate in the recent general election. Even if the lower figure applies, it will still be excellent news for voluntary groups, as is the measure to prevent the excessive accumulation of balances by lottery fund distributors, which will also contribute to the maximisation of the return on the lottery to those very communities who create the fund in the first place. I wholeheartedly support the Bill, because it will bring lottery funding closer to the people and the communities who need it the most.

5.35 pm

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): The Government claim that the proposals outlined in the Bill will simplify the rules and procedures relating to lottery funding. I am afraid that my experiences in my constituency in the past eight years do not inspire me with confidence. The National Lottery Bill's stated aim is:

"to make the Lottery more responsive to people's priorities and to ensure that Lottery money goes efficiently to good causes."

Well, in Mid-Bedfordshire a good cause is apparently a primary care trust. I know that I am a new Member and could be forgiven for making incorrect assumptions, but is a PCT a good cause, or something that should be funded by general taxation?

[Mrs. Nadine Dorries]

In May 2004, £237,000 was awarded to Bedfordshire county council to modernise school changing rooms. I quote from the report by the National Council for Voluntary Organisations—the hon. Member for Bath (Mr. Foster) also mentioned this—which said:

"Lottery funding should be additional to what should be properly spent by government and not a substitute for it."

School changing rooms and primary care trusts should be funded by the Government; they should not be additional to Government spending.

This may be a good point at which to remind ourselves of the Prime Minister's words. He said that funding should be used for good causes and not for things that should normally be paid for by the Government. The merging of the New Opportunities Fund and the Community Fund has given Ministers control of 50 per cent. of the funding. Mid-Bedfordshire is bordered by Luton, South and Bedford and Kempston. In the past eight years £8 million of lottery funding has gone into my constituency. Luton, South has received a staggering £23.4 million. Bedford and Kempston have received an equally staggering £15 million. That undermines the political process. Many people in my constituency have applied for grants over the years and have been refused without being told why or how the money has been spent.

The Minister said earlier that when the public were asked where they wanted funding to go they said that they wanted it to go into health and education. I want to know how that question was asked. If the public were asked, "Would you like money to be spent on health and education via the lottery fund?", I think that they would have said no. The public want money to be spent on health and education out of general taxation. Inequitable funding serves only to undermine the political process. Such funding is by stealth, by the back door; it is inequitable and disingenuous. It makes a mockery of the original aims and objectives of the lottery, which were to support the arts and culture.

In 1997, my constituency received £50,000 for the arts and culture. In 2004, it received £12,000. In 1998, charities received £79,000 and so far this year they have received £6,000. I think that charities could be classed as good causes. In my constituency, spending on health and education has increased at the same rate as spending on the arts and culture, charities and traditional good causes has decreased. I have no wish to denigrate the many worthy schemes that money may go to in my constituency, in Luton, South and in Bedford and Kempston, but I should like the Minister to know that some worthy schemes have applied for funding. I have been contacted in the past few days by 12 of those schemes that have been refused. They could have been counted as very good causes.

Philip Davies: I agree wholeheartedly with what my hon. Friend is saying. I come back to the point that I made earlier. Many worthwhile schemes in her constituency and mine—Shipley—seem to be overruled and yet money is given to national deportation groups and other politically correct groups, like that which the hon. Member for Bath (Mr. Foster) was praising earlier. Members of the public, at least in the Shipley constituency, do not want national lottery funding to go to such things. They want it to go to things that do a worthwhile job, such as the ones that my hon. Friend has mentioned in her constituency. Does she agree that there is nothing in the Bill that will stop these politically correct national deportation groups and the like, getting huge grants from national lottery funding at the expense of more worthwhile groups in her constituency and mine?

Mrs. Dorries: I thank my hon. Friend. There are many bizarre examples, which none of us would want to waste time quoting today. We have heard of Peruvian farmers being given a grant to make guinea pigs fatter for human consumption; we could all throw in many such examples. Those are the examples that irritate my constituents.

There is a home nursing group, not in my constituency, but which serves as a model throughout the country. That home nursing group provides care for people who are terminally ill, in their own home. It was refused lottery funding, even though it saves the NHS a great deal of money by looking after people at home and is a model for the nation to copy; and yet we have bizarre examples such as the one that I just quoted.

Mr. Horwood: Surely the independence proposed by the hon. Lady's Front-Bench team would allow more of these grants to be made—not less?

Mrs. Dorries: We would be adhering to the initial principles of lottery funding, which were arts, culture, heritage and good causes.

Mr. Swire: I am most grateful to my hon. Friend for giving way. No doubt she was going to reply to that intervention by reminding the hon. Gentleman that if he had read our election manifesto, which is well worth reading, he would have seen that we were proposing to allow for a reputational impact, so that a body could refuse to make one of these controversial grants if it would impact on that body in future.

Mr. Don Foster: Well written.

Mrs. Dorries: I shall conclude by saying that the way in which lottery funding is allocated should at the very least be fair, and it should be equitable, across all constituencies. It should be above party politics. The reality is that the Big Lottery Fund is just another way for big Government to interfere in the running of the lottery fund.

5.42 pm

Mr. Philip Dunne (Ludlow) (Con): I am pleased to contribute to the debate on this important issue. It is important because in my constituency and neighbouring constituencies that I am aware of, the lottery has been the main facilitator of numerous community-based projects that have been completed since it was so successfully introduced by the last Conservative Government. Other Members have mentioned multi-million pound projects that have been funded. I feel rather envious of those projects because since the lottery began, my constituency has had only one, to my

knowledge, although we have had a large number of much smaller distributions. In the seven years since the beginning of 1998 we have had 374 individual projects funded by the lottery for a total of £14.4 million, and in many cases it was the core funding that enabled entire projects to be completed.

I should like to see three specific aspects of the lottery's operation confirmed in Committee. I share the concerns of the hon. Member for Bath (Mr. Foster), who is not in his seat, that only four days have been allotted to the Committee stage.

The first issue that I should like to raise is the impact of allocations for heritage projects. Admittedly, the Ludlow constituency is blessed by a particularly rich cultural and historic heritage, and consequently more of our projects have tended to be allocated in that direction. In fact, since the beginning of 1998 the Heritage Lottery Fund has made 54 awards, accounting for 14 per cent. of the awards that I have mentioned. Their combined value is £4.7 million, so 33 per cent. of the money granted by the lottery distributors has been given to heritage in my constituency. That is probably one of the highest percentages in the country.

If I heard the Minister's opening remarks correctly, he said that despite the establishment of the Big Lottery Fund, the proposals will not alter the allocation of funding by distributors, including for heritage and the arts. From my reading of the Bill and the explanatory notes, that is a surprise; but if true, it is welcome. He also said that between 60 and 70 per cent. of the Big Lottery Fund will go to communities and charities. Does that mean that there could be an overlap between distributors? To maintain allocations, will projects have to apply to two distributors to achieve equivalence of allocation, or are the Minister's remarks relevant only on a national average basis, rather than on a local area basis? I do not understand that point—

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell) *rose—*

Mr. Dunne: Perhaps the Minister can explain.

James Purnell: It is on a national basis, I believe.

Mr. Dunne: I thank the Minister. In that case, it seems more likely that applications will have to be made to two distributors to achieve the same level of funding for the projects to which I have referred.

I am especially concerned about the lottery's impact on major restorations of heritage monuments and features, for example, the Teme Weirs trust in Ludlow and the pending restoration of Ludlow's town walls, to which I have already referred in this place. Without equivalence of allocation to the Heritage Lottery Fund, it is unlikely that such projects will be completed. The trustees of the new Big Lottery Fund are unlikely to give much priority to heritage projects, as they will consider that they are already well provided for due to the continuance of the Heritage Lottery Fund.

My second concern is the key question of trust, a subject that my party raised during the general election. The hon. Member for Sheffield, Hillsborough (Ms Smith) referred to the increased participation in the lottery over the past couple of years. Continued strength of revenue and funding for good causes obviously relies to a considerable degree on public confidence in the lottery and in the awards made by its distributing bodies. By introducing the potential for Government influence on the Big Lottery Fund, the Bill could undermine that confidence, which in turn will undermine revenues.

To give a local example, it is, regrettably, well known in my constituency that the Shropshire hospitals NHS trust is sitting on a colossal deficit, rumoured in the press to be close to £20 million. I am delighted to say, however, that on 24 February 2005 a brand new MRI scanner was delivered to the Royal Shrewsbury hospital, funded in part by voluntary donation and the lottery, but I regret to tell the House that the machine has yet to be turned on. It is well known in Shropshire that the MRI scanner is sitting in a purpose-built facility in the hospital, but that the trust does not have enough funding to use it. People in Shropshire suspect that if lottery funding can be used to supply equipment to the NHS, welcome though that equipment is, it may be used to help run the equipment in the future, which will undermine confidence in the lottery and participation in the game.

As I am from a rural constituency, I should like to endorse the remarks of my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries), who said that confidence would also be undermined if funding were awarded to causes that bear no relevance, or seem to bear no relevance, to people in the UK. If, as my hon. Friend said, we are funding guinea pig producers in Peru, that will not inspire confidence in the lottery distribution system.

My third point may relate to the Freedom of Information Act 2000. I am concerned about access to information about lottery funding. After awards have been made and projects completed, it is possible to obtain full access to information about where allocations were made, but sometimes such information is not made readily available on projects where, although a decision has been made to allocate funding, it has not yet all been supplied. I am thinking of a case brought to my attention by a fellow councillor on South Shropshire district council: a substantial sum has allegedly been given to a local voluntary organisation, but he has had difficulty securing information on the project. The organisation in question is the Ludlow youth forum, which does some very useful work, especially in drug rehabilitation. My concern is that we have had great difficulty finding out how much money has been provided to that organisation by lottery and other bodies. To raise that matter in this debate might be to stray somewhat from the Bill, but I should be grateful if the Minister would write to me on the subject, or mention it in his winding-up speech. I hope to speak in Committee about the three concerns that I have raised in this debate.

5.50 pm

James Brokenshire (Hornchurch) (Con): There is a great deal of consensus across the House on the benefits that the lottery has offered to so many of our communities and constituents. The Bill and today's debate, however, relate to the future.

I heard what the Minister said about the intentions behind the Bill, but the Bill itself gives the impression that the Government's aim is to centralise and assume

[James Brokenshire]

much greater control over the way in which lottery funds are allocated and distributed. The Conservatives advocate giving power back to the people, giving them a greater say, and ensuring that we help charities and arts, sports and heritage projects. Unfortunately, my understanding of the Bill is that it will enable a greater politicisation of awards and the hand of Government to be seen to a greater extent. The Bill entrenches an approach that we have witnessed in the past few years.

Rightly or wrongly, there is growing resentment as a result of a number of awards given to apparently fringe organisations. The hon. Member for Bath (Mr. Foster) alluded to public perception of the number of awards given and their actual value, but the public are experiencing a creeping sense of disquiet. To see that, I need only look at my local newspaper, which in the past fortnight has run the headline, "Fury over Lotto handout." There is a feeling that awards are not being fairly given to organisations in my constituency. The hon. Member for Rhondda (Chris Bryant) highlighted the question of whether awards are distributed fairly across the country. My constituency falls within the London borough of Havering, which has received about £13 million in awards to good causes since the lottery was established, whereas the London borough of Greenwich has received £702 million in awards. Given such disparities, it is understandable that people are asking questions about awards and why they are given. The Bill does not address those concerns.

Those concerns are given greater emphasis when we see worthy and valuable organisations in our constituencies not being given awards. I can think of two cases in my area: St. Francis hospice applied for funding but was turned down, as did a local charity, First Step. Against that backdrop, people want to know where funding is going—they want transparency. Unfortunately, the Bill does not provide that transparency; if anything, it muddies the waters even more. My right hon. Friend the Member for Maidenhead (Mrs. May) has already quoted the Government response to the Culture, Media and Sport Committee's report on the national lottery, but I shall do so as well. In response to criticisms in relation to the principle of additionality, the Government said:

"Additionality has never meant that Lottery projects should be completely divorced from public services and existing Government initiatives."

The Minister endorsed that statement, but it shows the clear link between the distribution of lottery funding and the views of the Government. That link is betrayed throughout the Bill.

Mr. Horwood: I repeat my question to the hon. Member for Mid-Bedfordshire (Mrs. Dorries). Hon. Members cannot have it both ways: either they must list the projects that they support and, presumably, be willing to intervene to influence lottery funding, or they must guarantee the lottery's independence.

James Brokenshire: I think that we should concentrate on the lottery's independence and give people back the power to decide how lottery funding should be given. That is entirely consistent with the arguments that Conservative Members have advanced about giving power back and passing power down.

I have several specific concerns about the Bill's provisions, particularly the power given to the Secretary of State. Ministers have said that they are not trying to take power from the people and give it to the Government—that, in many ways, they are trying to maintain the lottery's independence—but that argument is not supported by the Bill. The House need only look at the swingeing powers taken under proposed new section 36E of the National Lottery etc. Act 1993, which would require the Big Lottery Fund to comply with directions given by the Secretary of State in almost every case, even if those directions are about who is to run the fund. The fact that such powers are being taken makes one question the independence of the organisation. Further restrictions are built into proposed new section 36B, which enables the Secretary of State to limit the monetary value of awards given to certain organisations.

It is hardly surprising that voluntary and charitable groups have voiced considerable concern about such provisions. Luke FitzHerbert, a senior researcher at the Directory of Social Change, has described the proposals as

"a naked seizure of control",

and Stephen Bubb, of the Association of Chief Executives of Voluntary Organisations, says that the Bill

"undermines the independence and the integrity of the grant-making system."

The Bill clearly takes power back into the Government's hands, so such expressions of concern are not surprising.

The Secretary of State is away, and I understand why she could not be present for Second Reading, but it is interesting to read a letter that she kindly sent to me and other new Members in which she set out the reasons to support the Bill. Referring to the New Opportunities Fund, she wrote:

"The Fund was also different in that it has been directed to distribute money in support of initiatives specified by Government, but still taking individual grant decisions at arm's length from Government as the other distributors do."

The point I take from that is that the initiatives are "specified by Government"—in other words, the fund is directed by the Government. Although Ministers might argue that individual grants are determined by the fund, if the overall framework and certain decisions are specified by the Government, what we see is direction by the Government.

I congratulate the Bill draftsmen on trying to set out the fund's independence by creating, in effect, a corporate body for the Big Lottery Fund and stating in schedule 2:

"The Fund shall not be regarded as the servant or agent of the Crown".

However, given all the powers reserved under the Bill and the clear prescription of the fund's terms of reference, the Big Lottery Fund looks very much like a servant or agent of the Government. The more closely one examines the legislation and the powers reserved for the Secretary of State, the more one thinks that it might have been clearer to state that the Secretary of State shall have control over 50 per cent. of the funds from the lottery and she will specify as she sees fit in relation to that money.

I have a couple of specific questions about the Bill. I note that clause 8, on the reallocation of funds, says that in relation to the allocation between individual distributors, for example, Sport England, if we feel that that organisation is not performing correctly, the fund would be ring-fenced for the same beneficiary, so funds could be allocated to another sports body. Is there any provision that would prevent that going to the Big Lottery Fund? It seems that the 50 per cent. threshold is being increased. I wonder whether the Minister could answer that specific point when he replies.

A point that emerged from the Secretary of State's interesting letter was the funding that would come from the Big Lottery Fund—she referred to £60 million being made available for international grants. My understanding is that lottery funding has been ring-fenced for applications within the UK. There may be a misunderstanding on my part, but I am sure that it is not the public's understanding of how the money would be allocated. Perhaps the Minister would follow up this point when he replies to the debate.

I am left with the impression that the Government seek to extend control over the way in which lottery money is to be allocated. I shall refer to another poll, as I know that the Minister was keen to emphasise the importance of consulting the public. An ICM poll published last year showed that 73 per cent. of the public supported an independent public body deciding how lottery money was to be spent. From what I see in the Bill, that is not what we have on offer. The purpose behind the Bill is to take greater control, greater power and greater authority into the hands of the Secretary of State. Unfortunately, that is taking control further away from the people who buy the tickets and voluntarily spend their money on the lottery in good faith. I cannot support the Bill because of the powers that it is designed to put, to a much greater extent, in the Government's hands.

6.2 pm

Mr. Martin Horwood (Cheltenham) (LD): My background is in charity fundraising. I was the director of fundraising for the Alzheimer's Society. At times, I have spent days, nights and what seemed years of my life completing applications to various national lottery distributor bodies. At times, I have found them irritating, bureaucratic and arbitrary in their rule change—but still, in the end, overwhelmingly a good thing.

Quite a lot of irritation and bureaucracy will be suffered for the several millions of pounds that the Alzheimer's Society raises for carers and people with dementia from the national lottery, but it is worth doing. It seems that in this place it is not always easy to pay compliments to our opponents, but I should pay a compliment to the Conservative Government of John Major. Despite the irritations and the bureaucracy of the system, the national lottery distributors that were established were overwhelmingly a good thing. They were cheap to apply to and they were thoughtful in that they spent a great deal of time talking through, with applicants, exactly who would benefit from projects and how those projects would work. They were supportive of applicants, especially those with inexperience; they considered difficult and unpopular causes; and they had a good track record in supporting those causes.

Many of the fears that were attached to the National Lottery etc. Act 1993 were that it would cannibalise existing fundraising. Those fears turned out to be unfounded. At the time, some charities were dependent on scratch card income. There was a great deal of publicity that they would lose money, but so much publicity was raised that their funds increased. Even they did well out of the Act.

The issue of additionality was mentioned during consideration of the 1993 legislation. As I rather unkindly mentioned to the right hon. Member for Maidenhead (Mrs. May), there were provisions in that Act to give the Secretary of State powers of direction. In practice, the Millennium Commission, the National Lottery Charities Board and the other distributors have acted independently for most of their history. That was much appreciated by those of us who were working in the sector. We appreciated the independence from Government that they were able to exercise.

Since the Labour party has come into Government we have watched with increasing concern the progress of the so-called reforms of the national lottery distribution. First, there was the establishment of the New Opportunities Fund, which seemed to us to be established purely to meet Government priorities—health, education and the environment. Those are worthy things but they have been used, as the hon. Member for Mid-Bedfordshire (Mrs. Dorries) said, to support state-run and state-funded institutions, which was never the idea of the national lottery. The lottery was there to support new causes with new money and new projects with new money.

When the earliest funding priorities of the New Opportunities Fund were announced at a Labour party conference, it was clear that political control was starting to play a major role in the way in which the funds were distributed. Then we noted, with even more concern, that when the Millennium Commission was wound up it was merged with the New Opportunities Fund. We have seen a gradual increase in the percentage of lottery funds under the more direct control of the Secretary of State. It has grown from 0 per cent. in 1993 to 13.5 per cent. in 1998, to 32 per cent. today and to 50 per cent. in the proposals that are before us. Earlier, the Minister was talking about moving forward, but it is clear in which direction the Government are moving—eventually, presumably, it is towards 100 per cent. control by the Secretary of State. Our fears have been realised by many recent announcements. For instance, there was the decision to fund the school dinners programme. That is worthy, but money will be stolen from lottery funds.

I was reassured by what the Minister said, namely, that there would be a departure from practice in the New Opportunities Fund, and from now on—I think that I am quoting him correctly—all important decisions would be taken by the Big Lottery Fund. That would be desirable, but we do not see that provision in the Bill. Given the Government's record, we need that provision in the Bill. Otherwise, that lottery funding becomes a tax-supporting Government policy. It may be voluntary, but it will still be a tax. That will gradually undermine ticket sales.

Mr. Graham Stuart (Beverley and Holderness) (Con): I wonder whether you would agree with me that the New Opportunities Fund was an act of opportunism by the

[Mr. Graham Stuart]

Government to direct spending from lottery funds, and that the Bill is a sign of desperation for a Government who see a black hole opening up in their spending plans. They are looking around desperately for anywhere to grab the money to make up for their failures to find funding for core aspects of government for which they should be paying. It is that black hole that is at the heart of the drive today. It will be charitable causes and the heritage of this country that will pay the price for a Government who are losing control of government finance.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Member for Cheltenham (Mr. Horwood) responds, I say to the hon. Member for Beverley and Holderness (Mr. Stuart) that he should remember that when he uses the second person he is referring to the Chair. He should be referring to the third person. I might add that interventions are always better if they are brief.

Mr. Horwood: I fear that the hon. Gentleman is correct and the basis of the lottery might be undermined. It was supposed to find new money for new projects. Clause 7 contains a sweeping description of the powers of the Secretary of State. The Government took our advice soon after they came to power by allowing more independence to the Bank of England. The Chancellor has found it useful to have that political file between him and the decision makers of the Monetary Policy Committee. We should have sympathy with Ministers and want them to have similar protection. Otherwise, with these sweeping powers, they may find that they have an irresistible urge to intervene in the lottery's distribution of funds, especially when they are under pressure from the tabloid press or from rather ill-informed comments from people such as the hon. Member for Shipley (Philip Davies) in talking about politically correct funding decisions.

Why would Ministers want to put themselves in such a situation? Surely they would do far better to stick to the well-established and well-respected system of allowing much more independence to the national lottery funding bodies. In Committee, we must find a mechanism to make that happen. I support what was said in the Select Committee, in its Fifth report in March 2004. It stated:

"whilst the national lottery and the benefits it gives to good causes should be publicised, it should not be promoted as an effective way of giving to charity. The percentage of the amount spent on a Lottery ticket that actually goes to good causes should be made clear to players."

If the promotion of lottery spending is related to charitable giving, that undermines the lottery's purpose. The lottery brought in new money because most of its marketing was based on people's desire to win millions of pounds—it was not in competition with existing charity fundraising. Again, that is a good principle.

We need to step back and look at the context in which charities work. The situation is difficult as there are 162,000 charities on the Charity Commission's register worth £32 billion a year in income, representing a 92 per cent. growth in 10 years. Those of us with a background in the sector would accept that it has become increasingly lopsided. Of that £32 billion, £8.6 billion is raised just by the top 500 fundraising charities. The top 10 charities raise £1.6 billion or 20 per cent. of the total. The top five charities—Cancer Research UK, the National Trust, Oxfam, the British Heart Foundation and the Royal National Lifeboat Institution—fundraise almost £1 billion a year. Those are efficient, well-run charities, which I respect enormously. The Charities Aid Foundation, however, is right to point out that the gap between the largest and smallest charities in the UK continues to widen.

Only 6 per cent. of the income of the top 500 charities comes from lottery sources, with the rest coming from public participation. The CAF's latest figures show that 43 per cent. of that income comes from individual giving, including standing orders and donations made as a result of direct marketing, telephone fundraising, community events and so on. They show that that 9 per cent. comes from legacies promoted in the same way, and that 4 per cent. comes from the trading of Christmas cards and gifts. In total, 56 per cent. of the income of the top 500 is effectively driven by appeals for popular causes to the general public. Another 13 per cent. comes from grant-making trusts and corporate donors, who are driven by popular opinion about the best causes. In many cases, companies try to find the best fit with their own customers or hold polls among their staff to decide which charities to support. I remember conducting a survey during my professional career which found that, overwhelmingly, cancer and children were the causes that received the most support.

The CAF's latest figures underline the fact that the most popular causes dominate the sector. International charities receive £654 million a year; cancer charities £417 million a year; while children's charities are sixth in the list and receive £321 million. However, we should be concerned about the less popular causes at the other end of the spectrum. The HIV/AIDS charities receive £13 million; charities for the deaf £33 million; and mental health charities only £56 million. One might expect the elderly to be a popular cause, but only £92 million was raised by such charities, a sum dwarfed by the sums raised by the most popular causes.

Ms Emily Thornberry (Islington, South and Finsbury) (Lab): I am concerned about allegations about the lack of public confidence in the new management of the lottery fund. You have just made reference to money available for the elderly, but I should like to give the example of a pot of money available for elderly carers in Islington who are in their 80s and 90s and look after their 50-year-old children. That money is not available from local authorities because the needs of those elderly people and their children are not great enough for them to receive social security assistance. Money is therefore available from the lottery. If people in Islington were asked whether that is an appropriate use of lottery money, I can assure the hon. Gentleman that they would be fully in favour in it.

A 93-year-old woman who cared for her 57-old child—the daughter was suffering from early onset Alzheimer's because she had Down's syndrome—fell down the stairs and was offered two hour' help by social services. Lottery funding, however, paid for people from a voluntary organisation called Centre 404 to provide her with proper support. Without the lottery or

imaginative funding, that money would simply not be available. That is why we need the lottery and why we need changes to it.

Mr. Horwood *rose—*

Mr. Deputy Speaker: Order. If the hon. Gentleman would bear with me for a moment, I do not think that the hon. Member for Islington, South and Finsbury (Ms Thornberry) heard the advice that I gave the hon. Member for Beverley and Holderness (Mr. Stuart). First, references to other hon. Members should be in the third person, and secondly, the hon. Lady's intervention was far too long and I shall not be as tolerant next time.

Mr. Horwood: I beg forgiveness from the hon. Member for Islington, South and Finsbury (Ms Thornberry), who may have misunderstood me. I was listing the popular causes with other means of fundraising that are overwhelmingly the most important part of their income. Only 6 per cent. of the income of the top 500 charities comes from the lottery. For the precise reasons that the hon. Lady gave, the lottery is extremely important. However, there is substantial concern in the voluntary sector, particularly among the smaller and less popular causes, about the proposals for more popular involvement or, more significantly, more political involvement.

The National Lottery Charities Board stood apart from the popular concentration on a few major causes, along with a few other funders such as Comic Relief and the Lloyds TSB Foundation, which have done very good work. It encouraged applications from much smaller charities and fundraising teams, as well as from people with much less experience of fundraising.

Philip Davies: I respect both the hard work that the hon. Gentleman has done to raise money for charity and his expertise in the field. However, will he flesh out the point that he is making? Does he accept that the bureaucracy of the lottery favours bigger charities over smaller ones because they can afford to pay people to fill in the plethora of forms? Worthwhile smaller charities, however, such as those in my constituency, lose out because they do not have the time or enough people to fill in all those forms.

Mr. Horwood: There is an element of truth in that. However, the amount of money that goes to the top 500 charities from the lottery is proportionately less than the amount from other sources. If anything, lottery funding has traditionally favoured smaller charities. The hon. Gentleman is right that such charities have struggled. Having tried to fill in the forms myself, I know that it is a great burden, especially for charities without any professional staff who depend on the work of volunteers, so I am sympathetic to the point that he made. However, the causes that receive support from the lottery are small organisations that tackle difficult issues. In my constituency, for example, £136,000 was given to the Gloucestershire Aids Trust for carers' support and respite care, and £5,000—a small but significant sum—was given to Cheltenham Open Door for the refurbishment of a drop-in centre for homeless people. People think of Cheltenham as posh and well off, but that is not the truth. The NLCB saw through the image and funded important work with the most deprived people in my constituency. Cheltenham Housing Aid Centre received £90,000 to back deposit funds for privately rented accommodation, and £178,000 was provided for an outreach service on domestic violence—a service which the hon. Member for Shipley would probably regard as politically correct.

The hon. Member for Ludlow (Mr. Dunne) made an important point about esoteric heritage projects, for which it is equally difficult to find popular support. The independence of the NLCB and the other distributors means that they were prepared to fund that difficult work, and the Government should be proud of presiding over such grants. Many of those charities would never have been able to afford to use other kinds of fundraising that dominate the sector such as large-scale direct marketing campaigns, telephone fundraising or big pitches to corporate donors. The lottery has been a lifeline for them and it has done them proud. However, larger charities are worried about the proposal.

As I have said, the cause of elderly people is one of the least popular. I used to fundraise for Help the Aged, which wrote to me today:

"I think the real issue is not that the idea of public involvement in itself is bad"—

I agree—

"but that we don't really have confidence that you would ever be able to devise a system in which members of the public would really have all the information they needed to properly weigh up the different options.

There is a real risk that any system like this would end in some kind of glamour/popularity contest between charities, which would mean that charities would have to focus huge amounts of effort on presentation and on courting public favour, and that ultimately charities tackling some very worthwhile but complex or difficult issues would lose out."

Those are the fears in the voluntary sector.

I am sure that we all agree that public consultation is, in principle, a good thing, but the challenge for all parties working together, I hope, in Committee is to try to prove those fears wrong and to have a mechanism in the Bill that does not harm the smaller and less popular causes. The lottery has been a unique lifeline for many such organisations, and I hope that it will stay that way.

6.20 pm

Mrs. Madeleine Moon (Bridgend) (Lab): I share with the hon. Member for Cheltenham (Mr. Horwood) a background of working in Alzheimer's disease societies and with people with dementia. Like him, I recognise the problems in accessing money faced by that Cinderella sector. Equally, however, as I have sat here today and listened to the various speakers, I have been aware that my experience in Bridgend is not the same as that of the right hon. Member for Maidenhead (Mrs. May); it is much more like that of my hon. Friend the Member for Rhondda (Chris Bryant).

Bridgend, it is acknowledged on the lottery webpage, has not received its fair share of lottery funding, with lower than average funding coming to projects in my constituency. Indeed, I am informed that we have the third lowest lottery funding. I can assure Members that Bridgend is eager to get its sticky little mitts on lottery money. Over the past couple of days, I have sought to

[Mrs. Madeleine Moon]

examine why Bridgend is so far down the funding stream and how the proposals before us today will help my constituency to begin the fight back and climb the league of successful applicants.

I can assure the House that Bridgend is a community in need of that investment. It is in need of the lottery money that is available to it. Bridgend is not readily recognised as a deprived area, but we have pockets of severe social deprivation. Although there is inward growth in housing and new business, some of our leisure and community services have lacked investment for a number of years and are, to say the least, down at heel and frayed at the collar. The one thing that we are rich in is our commitment to our communities and our willingness to fight and work for them.

In preparation for today's debate I have spoken to a number of the people in my constituency for whom lottery money makes the difference, determining the growth, change and survival of services. There have been great successes, and I include here the Kenfig Pyle community youth project and the Bethlem Church projects, which work with young people in communities with few opportunities for leisure and social activities. I made reference to their excellent work in my maiden speech, as those projects have grown out of the communities in which they are based. Their management committees are local people and their commitment to the young people whom they serve is total. They offer alternatives to going to the pub, hanging round street corners and using drugs, which would be the only alternatives without those projects.

The projects were established by local people, not professionals. I urge the Minister to ensure that we do not develop a culture within the Big Lottery Fund that means that the large organisations—the professionals—and not the local communities access the funding and are seen as the experts in what is good for communities and in tackling local problems. I am hopeful that the Bill will be positive for my community.

What we need in Bridgend is continued development of small, sustainable community-led projects that are managed or delivered by local people. Funding must be ongoing. I reiterate the comments of my hon. Friend the Member for Caerphilly (Mr. David) that projects must not be left high and dry, having to jump through yet more hoops to access additional funding.

Will the Big Lottery Fund help my constituency? I feel that it will. I welcome the initiatives to restructure the lottery and to make the application process simpler. I welcome especially the plans to ensure that the level of unspent funds is reduced. I welcome the new capacity for the fund to handle non-lottery money to enable spending streams to be joined up. I especially welcome, too, the opportunity to reallocate balances that have not been reduced to other grant-making organisations in the same sector, so that good causes are not left without access to funds.

I think in particular of sports clubs in my constituency that are desperate to do drainage work on their pitches, but are told that there is no money for them to access. An opportunity such as this, to move balances, would ensure that that work could go ahead, so that organisations that, in a week, have 250 people working with Kenfig rugby and football clubs, would have the facilities that they need to offer those youngsters opportunities. We have been debating in the House opportunities for youngsters to engage in sport, and we should remember that the lottery funds opened up opportunities for many youngsters in my community that would not otherwise have been available.

I would like to share with the House some of the concerns and questions discussed with me by those in my constituency who co-ordinate many of our lottery bids. In particular, I thank Ty Jay Dekretser from the Bridgend Association of Voluntary Organisations—with whom I am sure I will have further discussions on the Bill as it proceeds through the House—and various officers from Bridgend county borough council who have shared their expertise and experience. They tell me that in Bridgend we have a particular problem with providing match funding. For example, the Kenfig Pocket Park committee has submitted an application for funding. We have a small dedicated group who have worked for two years putting together the application, but match funding is very limited.

I wonder whether it is possible to consider using some of the underspend and interest money from the lottery funds to help communities where there are good ideas, good projects and people willing and eager to work, but where there are problems in raising match funding, perhaps in some of our more deprived communities. For my local authority that problem has been exacerbated by the fact that European development money has also been available, and much of its match funding has gone to objective 1 projects. We have been accessing some money, but smaller local projects have not gone ahead, which is one reason for our success rate being low.

I welcome the opening of the new fund to take into account the views of the public, but we must not lose the opportunity that the lottery has given us, as a country, to tackle ideas and areas of work that were experimental or contentious. Sometimes that has related to people's perceptions of morality and what they perceive to be wrong. As one person commented to me, awards for lesbian and gay groups became more acceptable, but when those groups related to parenting, public opinion was often split.

Some practices, such as advocacy and mentoring, now mainstream in local authority provision and in the public sector generally, were initiated and mainstreamed by the voluntary and community sector, often with no funding but with great determination and conviction. Lottery funding helped those projects to expand. Now, we generally recognise their worth and they are moving into mainstream local authority policy. At their inception those practices were deemed radical; now we are willing to support them.

We must ensure that the Big Lottery Fund, like the Community Fund, which has been a tremendous success, will be prepared to fund new and radical ideas, to take risks and to recognise that one of the most effective ways of supporting communities, either geographically or interest-based, is to fund those new ideas. I have seen nothing in the Bill that suggests that that is not possible; I have merely heard it here today. I would therefore welcome reassurance when the Minister winds up the debate.

From the voluntary sector, I have heard fears that rigid, stifling and directed priorities will damage the voluntary and community sectors and, in doing so,

reduce diversity and vibrancy. Those concerns were mentioned by the hon. Member for Cheltenham. I cite as an example the fact that, until three years ago, the United Kingdom had an established, though poorly funded, rape crisis centre network. Across the UK many victims of sexual abuse and rape were supported by volunteers who provided a free professional support and counselling service.

During the past three years, that network has been lost in many areas as statutory provision has moved into the field and we have recognised the need for mainstream funding in such work. To allay some of the concerns that have been laid before the House today, we perhaps need to ensure that voluntary sector organisations in such fields continue to have access to some lottery funding so that they can continue to take new initiatives and tackle radical new ideas. We could use that work almost as a testing ground for new and innovative ideas and marry the flexibility of the voluntary sector with the funding streams available to the statutory sector.

Some 30 per cent. of the Big Lottery Fund money will be used for public services. As a local Member, I feel a bit like a piggy in the middle between my local authority, which is desperate to access the money, and the voluntary sector. Lottery funding has been vital in Bridgend in enabling our very underfunded leisure services department to make a number of successful bids, benefiting my constituency and that of my hon. Friend the Member for Ogmore (Huw Irranca-Davies). Money has been accessed to develop sports facilities, with new sports barns at Cynffig, Ogmore and Ynysawdre comprehensives, as well as a new climbing wall at Pencoed and new pitches in Bryntirion. Our constituents will share use of the new Ynysawdre swimming pool, and my hon. Friend and I hope that money will be found to provide a sauna facility at the new pool.

At the same time, I know that the voluntary sector fears that there will be a reduction in the provision of community-led services and the wider opportunities that they provide to communities. For example, I have discussed with the leader of Wildmill playgroup and with other community playgroups how development of nursery provision in schools has seriously affected voluntary pre-school groups. While the increase in free provision has an economic benefit for families, we must ensure that we do not lose the vital support structures that the voluntary sector brings to parents. I know how vital my own local playgroup and "Meet a mum" association were for me when I stopped working and my son and I found ourselves alone, with all my friends in work and my family miles away, as well as a lack of support and companionship and others from whom to learn the skills of parenting. The playgroup, the "Meet a mum" association and the nursery that my son attended provided me with lasting network support and provided my son with a plethora of social aunties and uncles, as well friends that he has had from birth. We must be careful that, in professionalising services, we do not lose that human dimension that makes so many of the voluntary services work so effectively. I hope that the Big Lottery Fund will help us to ensure that that dimension remains an active part of the funding that will be available.

Considering the reasons for the lack of applications for funding in my constituency has led me to look again at the responsibilities that we place on the voluntary sector. In earlier debates on the Licensing Bill, one of the concerns raised was responsibilities for making and managing applications for licences for village halls. I heard the same concerns expressed when church groups that provide sitting and befriending services were required to register as domiciliary care agencies when I worked for the care standards inspectorate in Wales. I stress that we must use the Big Lottery Fund to consider how we can sustain and support the small voluntary groups that are afraid of some of the project management and legislative implications in respect of employment, health and safety; are concerned about preparing accounts; and worried about child and adult protection issues.

For example, the Shaw Trust provided support services for those with disabilities who took advantage of direct payments to manage their own care packages. The task of bearing the huge responsibility placed on those with no experience in such a field was made possible by sharing the burden through the professional support of Shaw Trust officers, who managed the payroll, contracts of employment, health and safety and training issues. The Bridgend Association of Voluntary Organisations provides that work locally, but it is a single organisation. If we are to expand voluntary groups, especially the small ones, that can access lottery funding, more and more such umbrella bodies that support a network of smaller organisations must be able to access the funding. That could allow almost exponential growth among the smaller voluntary organisations.

I hope that we will be able to provide that support work and not leave the smaller groups without the network of support that they need. Without such support, I fear that we may lose good ideas and initiatives, as well as the essential community link that makes projects work. Public policy may also lose that testing ground in respect of the voluntary and charity sector, which often provides initiatives and new thinking and drives services forward.

In conclusion, I welcome the Big Lottery Fund and the proposed change. It is essential that we ensure the survival of the lottery, but I am eager to ensure that Bridgend finally moves on to the ladder of funded schemes that are successful. The need to build in capacity with my local communities to fund and manage lottery bids will be essential if we are to access the funds.

I pay tribute to the hard work of those who spend hours, as the hon. Member for Cheltenham described, preparing and writing lottery applications and managing funds and projects that benefit their local communities. I hope that the Big Lottery Fund will ensure, through its streamlined application process, that new, creative, innovative and controversial ways of working remain a key part of the lottery role and function, and that yet more will be coming from Bridgend.

6.36 pm

Mr. Colin Breed (South-East Cornwall) (LD): I wish to make a fairly brief contribution on behalf of a number of my constituents who are in what I suppose is

[Mr. Colin Breed]

a growing band of the disappointed. It is not that they expect to wander down to the results every week to find that they have won a huge amount; they have simply become part of a growing number of people who have become disappointed by being involved in one way or another with rejected applications for funding.

The group to which I refer consists of village halls and community centres. It is not surprising that a growing number of people have become disappointed when we bear in mind the role of such buildings in community work and the huge number of people who become involved in them. Almost from first thing in the morning to last thing at night, those buildings are used for a variety of activities. In the mornings, they are used for children's playgroups, nurseries and early-years education. Later on, there are coffee mornings and fundraising activities. At lunchtime, there are old and lonely people's luncheon clubs, and in the afternoons, there are forums where people meet as part of community groups. Some places have tea dances, and moving on to the late afternoon, there are after-school clubs and meetings for Beavers, Cubs and St. John Ambulance cadets. In the evenings, there are sports such as badminton, meetings of Scouts and Guides, committee meetings, fundraising activities and community events. It is not surprising that in many communities, especially in rural areas, a vast number of people have become interactive with what happens in their village hall or community centre.

When the lottery was introduced, a fairly significant number of capital grants were available for refurbishments, replacements and even brand new facilities. I am pleased to say that some such developments occurred in my constituency, but that happened a long time ago. There have been very few, if any, such awards in more recent times. The Countryside Agency had a vital villages initiative to enable some more funding to be available for projects, but it was quickly curtailed. Many of those involved are now being asked to raise their contribution to a refurbishment or even replacement in the hope—most of the time, it is a forlorn hope—that a lottery grant will be awarded to them.

At the same time, in recent years, significant costs have been imposed on village hall committees. There have been enhanced and additional health and safety regulations and developments in the disability access situation. Licensing has been mentioned, and the standards required for playschools and nurseries have changed, including standards for toilets and so on. All those factors have produced significantly greater costs for village hall committees—even insurance costs contribute to that huge burden—but those committees cannot access additional funding to make their facilities compatible with today's standards.

For some reason, applications are almost inevitably refused, which causes huge concern and disappointment among a large section of the rural community, particularly in Cornwall and in my constituency. The hon. Member for Bridgend (Mrs. Moon) mentioned many of the problems with match funding in an objective 1 area that we have experienced, and match funding is becoming less and less feasible.

People often use village halls and community centres to raise funds, but if they try to raise funds for those buildings, they encounter an ever-decreasing circle.

Mr. David Heath (Somerton and Frome) (LD): I assure my hon. Friend that that problem affects not only those areas that are lucky enough to have obtained objective 1 status, but other areas. Voluntary groups in rural areas are increasingly defeated by the amount of paperwork, by the cost of providing the required information and by match funding fatigue, which stops people finding the funds to enable bids to go ahead.

Mr. Breed: My hon. Friend is right. I suspect that not only objective 1 areas but all rural areas and some other areas find it difficult to secure additional funding. Community centres and village halls can probably lay claim to meeting most funding objectives, because health services and education for the elderly and the young are provided in them. They also provide a base for all sorts of community projects and are sometimes used as sports changing rooms for nearby playing fields. Those much-needed facilities seem to hit all the right buttons, but whether the application is from the village hall committee, the Scouts, the Guides or a group for elderly people, funding cannot be obtained.

Facilities are becoming older, and those that need to be replaced are 60, 70, 80 or even 100 years old and are no longer capable of hosting vital community projects. Some playgroups and nurseries will have to close because Ofsted says that the facilities are not up to standard and because the village hall committees do not have access to the necessary capital.

I hope that the Big Lottery Fund will specifically consider umbrella funding for village halls, because it is unnecessary for every single village hall committee to go through a plethora of applications, and a simplified approach would allow two, three, four, five or even 10 village halls and community centres to join together in one application for funds for improvement, refurbishment or even replacement. A combined approach would allow small areas to improve facilities for all who use them. I urge the Minister to recognise that people who buy lottery tickets will become disillusioned if they experience too many setbacks on applications for reasonable projects which are in no way esoteric or difficult to understand, but which are vital to the life of communities and villages.

6.44 pm

Mr. Hugo Swire (East Devon) (Con): I am pleased to wind up the debate for the Opposition this evening.

I welcome the new Under-Secretary of State for Culture, Media and Sport, the hon. Member for Stalybridge and Hyde (James Purnell), to the Dispatch Box. We were initially confused about which Minister has responsibility for which part of the Department. At one point I thought that I would face the Minister whom I am meant to shadow, the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Tottenham (Mr. Lammy), but he is not here tonight.

I hope that the Prime Minister will reconsider having two Under-Secretaries at the Department for Culture, Media and Sport and promote them to Ministers, because the subjects addressed by the DCMS need that

recognition. In an odd article in the *Museums Journal*, a DCMS spokeswoman stated that the decision to make the hon. Member for Stalybridge and Hyde an Under-Secretary

"was merely a reflection of the Minister's relatively young age and the length of time he had spent in Parliament".

Given that he is two years younger than the hon. Member for Tottenham, I imagine that they both suffer from what Pitt the Elder once called

"the atrocious crime of being a young man."

The arts, sports, heritage and charities need their champions in Government as much now as has ever been the case, which means Ministers capable of independent thought who will bat for them, regardless of age or experience. I am certain that the Minister will not disappoint, but I wish that I could say the same about the Bill.

I do not believe in the synthetic rage or righteous indignation that is often generated on these occasions, but I must confess to feeling genuine anger not only about this Bill, but about the Government's handling of it. I have read it a number of times and tried to put myself in the Minister's position to ascertain what he is trying to achieve, but the Bill is so far away from the original intention of the national lottery, and so opposite to what my party would do in power, that I cannot find any common ground.

Through their refusal to listen to constructive criticism, the Government have managed to unite the Opposition, the Liberal Democrat party and a good number of free thinkers on the Government Back Benches and in the wider community. In a spirit of constructive criticism and co-operation, I have a proposal for the Minister: abandon the Bill and we will all work together to ensure that a better Bill, which reflects the founding ideals of the national lottery and which genuinely gives the lottery back to the people, is presented to Parliament in the fullness of time. The Minister would be able to show that he has listened and that he is capable of independent thought, which will certainly make his name in the world of sport, the arts and charities.

However, that will not happen, because since 1997 the Government have been embarked on a course that gives more and more control to Ministers over what lottery funding goes where. Interestingly, the former Secretary of State, who is now headed for the upper House, in answer to a question from the then Member for Surrey Heath about the principle of additionality during the Second Reading of the National Lottery Act 1998, said:

"I should have run a sweepstake on when that question would first arise in the debate because, of course, it is the common and rather tired theme of Conservative Members."—[*Official Report*, 7 April 1998; Vol. 310, c. 162.]

I hope that the Minister is listening.

Mr. Caborn: I am.

Mr. Swire: I am glad to hear it. Well, I must say that seven years later that is still our theme. We are not tired—we have been reinvigorated by the 56 new Conservative Members who have recently joined us, some of whom spoke excellently this afternoon—but we are consistent, and we are tired of this Labour Government constantly raiding the lottery.

When people pay their taxes—they pay too much under this Government—they do so, perhaps with some reluctance, as part of an understood contract with the state. As part of that contract, they receive public services, public security and, among other things, the Minister. But when people pay for a lottery ticket, they do so to enjoy themselves in the hope perhaps of winning, but in the knowledge that even if they do not win some of their money will be going to good causes. Sir John Major, the father of the national lottery, saw its instigation as a

"way to raise additional funding—free from the grasping hand of any Government—that could be used to improve the enjoyment—and the lifestyle—of many millions of people."

In the same speech, Sir John went on to point out that the national lottery had created 1,700 millionaires—even more, I dare say, than are to be found at a Labour fundraising dinner—raising £16 billion, the equivalent of Luxembourg's entire gross domestic product, in the process since 1994. That is partly his legacy. It would be a tragedy for this Prime Minister, who must be looking towards his own legacy, if the lottery began to falter because of his Government's actions.

Let us consider what comes next if this Bill becomes law. As my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) reminded us, the Prime Minister said in 1997:

"We don't believe it would be right to use Lottery money to pay for things which are the Government's responsibilities."

We have heard much tonight from Government Members about their definition of the additionality principle. They interpret it as meaning that the lottery can be used to pay for things that are new and which, because of their novelty, have not been paid for before by Government. The school fruit pilot scheme is a classic example: paid for by the lottery because it was new, but now paid for by central Government. Does that mean that if the Army orders a new type of tank, Ministers could use the lottery to pay for that because Government could not have paid for it before? Despite the Prime Minister's assurance, his Government soon began to dismantle the lottery and to use it to fund health and education. In 1998, Ministers placed 13 per cent. of lottery funds under their direct control; in 2001, they increased that to 33 per cent.; and now they are proposing to take 50 per cent.

The Government have turned the lottery into another stealth tax. We have heard during this debate just a few examples of where lottery funds have been used in place of Government funds: £93 million, as my hon. Friend the Member for Henley (Mr. Johnson) pointed out, for MRI scanners in NHS hospitals; £285 million for child care; and £42 million for fruit in schools. As my right hon. Friend the shadow Secretary of State said, Jamie Oliver worked a miracle in persuading Ministers, with the magic wand of publicity, to improve school food, but I doubt that he would want it to be paid for with lottery funds that would otherwise be going to charities and sports clubs.

The rather unconvincing line peddled by the Minister of State on this morning's "Today" programme was that the Bill will take powers away from Ministers. That is a clear case of double-think. Clause 14 clearly states:

"In exercising any of its functions the Big Lottery Fund shall comply with any direction given to it by the Secretary of State".

[Mr. Swire]

Perhaps that is why Luke Fitzherbert at the Directory of Social Change said that the Government's plans were

"a naked seizure of control".

The Government say that charities will do better from the Bill. They say that between 60 and 70 per cent. of the Big Lottery Fund's money will be spent on the voluntary and community sector. That is a very vague definition of charity. "Community" can mean many areas of Government expenditure, such as local schools and hospitals. This, by our calculations, still leaves up to £280 million a year unaccounted for, and which we can be sure will be spent on plugging the gaps in Government funding—a huge slush fund ready for the Government to call on when confronted by the next Jamie Oliver. If, as the Government maintain, charities are going to be so much better off, why did Stephen Bubb from the Association of Chief Executives of Voluntary Organisations say that the Bill

"undermines the independence and integrity of the grant-making system"

and call aspects of the Bill "very, very dodgy"? Why did the National Council for Voluntary Organisations say that it is still concerned, despite the assurance of Ministers, that

"the Lottery Bill still gives the Government too great a degree of control over Lottery funding"?

Why do not the Government place in the Bill a definite percentage that will go to charities?

My hon. Friends the Members for Hornchurch (James Brokenshire) and for Mid-Bedfordshire asked about some of the more controversial awards handed out by the New Opportunities Fund and, in all fairness, subsequently the Community Fund. Those ranged from the millennium dome—the cost of which, at about £700 million, was almost the equivalent of £25 for every household in the United Kingdom—to the Cusichaca trust, which received a grant of £440,000 to help Peruvian farmers breed fatter guinea pigs for human consumption. The list goes on and on. Such ludicrous grants serve only to undermine people's confidence in the very fabric of the lottery. That is why our election document "Action on Arts and Heritage" advocated a reputational impact clause saying that

"we will ensure that distributors take the Lottery's reputation into account when dispensing grants."

Perhaps the Minister will say whether he finds merit in that idea and whether it will be taken up by the Government.

We also published detailed and widely acclaimed proposals to restore the lottery to its original purpose—to give the Community Fund back its independence and guarantee that lottery money would be spent only on sport, charities, the arts and heritage. I regret that we are not able to implement those proposals, but I urge the House to consider supporting our amendment so that the lottery is not turned into another stealth tax and remains the treasured national institution that it is.

My hon. Friends the Members for Salisbury (Robert Key) and for Ludlow (Mr. Dunne) raised the subject of our national heritage, which is certainly dear to my heart. My hon. Friend the Member for Salisbury was particularly concerned about clauses 7 and 8 and their possible effect on our cathedrals and ecclesiastical buildings. As I know from my correspondence, that view is shared by many of our bishops. It should be pointed out—and will be, by us at any rate, in Committee—that the Heritage Lottery Fund does not have any unspent money. That is a myth—every single penny held by the Heritage Lottery Fund in its account has been committed to projects. The heritage sector has lost out under Labour, so let us be absolutely certain of the facts before we penalise it further.

How can we be sure that when remaining licences expire in 2009, the Big Lottery Fund will not become a single lottery distributor under the control of the Government? We have heard much tonight about efficiency exercises and the future of the Big Lottery Fund, but little about the renewal of licences for the other good causes—for sport, heritage and the arts. My party guaranteed at the last election that we would continue to receive a quarter of lottery funds after 2009; can the Minister give the same assurance tonight? Will he rule out the Big Lottery Fund taking an even greater share of lottery funds? I doubt that he will do so, because the Government simply cannot resist taking control of such a large amount of money.

In a reply to my hon. Friend the Member for Bromsgrove (Miss Kirkbride), the former Minister, Estelle Morris, said:

"Establishing the new body"—

that is, the Big Lottery Fund—

"will require primary legislation. We are encouraging NOF and the Community Fund to work as closely together as possible in the meantime to begin to exploit the synergies between the two bodies and to ensure that full merger can happen quickly when the legislation is in place."—[*Official Report*, 5 January 2004; Vol. 416, c. 136W.]

Quickly? That reply was in January 2004.

This Bill is much delayed. Indeed, the Big Lottery Fund has been making allocations even though it does not officially exist until this Bill is passed—or, I stress, if this Bill is passed. The Bill is not due to go into Committee until the autumn. It will then go to the upper House, where there is no DCMS Minister, and it will very likely not return to this House until 2006—some two years after the reply that I just read out. That is, of course, assuming that the Bill passes through all its stages uninterrupted. I wonder what consideration the Government have given to the major difficulties that would result from the Bill failing. That just about sums up the mess into which the Government have got themselves. The Bill is unwanted and will herald the end of the national lottery as we know it. I therefore urge hon. Members of all parties to join us in rejecting the Bill, supporting the amendment and voting against the unsatisfactory programme motion, which will allow us only about four days in Committee when we return in October.

If the Bill proceeds, we can be sure that the Big Lottery Fund will get bigger, that Ministers will administer more lottery funds and that the national lottery, charities, sport, heritage and the arts will consequently suffer. The Bill will merely turn the people's lottery into the Secretary of State's lottery. Labour will have nationalised the national lottery.

7 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (James Purnell): I thank the hon. Member for East Devon (Mr. Swire) for his kind remarks at the beginning of his speech. It is a genuine pleasure to make my first speech from the Dispatch Box in such an interesting debate. There have been many excellent contributions from all parties, including from several new Members.

My hon. Friends the Members for Sheffield, Hillsborough (Ms Smith) and for Bridgend (Mrs. Moon) showed their passion for their constituencies and their genuine understanding of the issues. I was impressed by the speech of the hon. Member for Cheltenham (Mr. Horwood), and the hon. Member for Hornchurch (James Brokenshire) made some strong points. Debate on and scrutiny of the Bill as it proceeds will benefit greatly from the knowledge of people who have clearly had experience before entering the House of matters that are highly relevant to it.

We start with some common ground between the parties. We all believe that grants should be made independently of Government and that the money should be spent as efficiently as possible and with as little as possible used on administration. There is also common ground on the reforms that need to be made to the competition for the next licence.

The hon. Member for Bath (Mr. Foster) made some points about the licence. I hope that I can reassure him by saying that it is, indeed, our intention to have one major licence. The powers in the Bill are only back-stop powers should we fail to obtain the right outcome. It is worth saying that the signs are encouraging at this stage. Several organisations have shown an interest in the next licence, and we therefore hope to get a good level of competition. The powers to break up the contract into smaller contracts exist to be used only if there are problems with getting one major contract. We hope that those powers, including the changes that we are making to the National Lottery Commission, will enable a smoother and more effective process than that which took place last time.

I hope that I can reassure the hon. Member for Bath about promoting the lottery. The proposed changes are not intended to promote playing the lottery—they will not promote the sale of tickets—but to promote its benefits, especially support for good causes in general. There was previously a constraint and a concern that lottery distributors could promote only their good causes. The proposals will give them more freedom to promote the lottery overall. The idea behind that is that the greater the trust in the lottery overall, the greater the number of sales and thus the greater the amount for good causes. I hope that those two points will reassure the Liberal Democrat Opposition.

Several points were raised and I shall try to answer as many as I can. *[Interruption.]* I shall try not to take three hours—I do not think that I would make it back on to the Terrace alive if I did that. Several detailed points were made but it is worth starting with those that are of genuine concern to voters. My hon. Friends the Members for Caerphilly (Mr. David) and for Rhondda (Chris Bryant) made important points on anxieties about access to lottery funds by constituencies that are away from the metropolitan centres and that had experienced genuine problems with access to grants under the old regime, before the changes that we introduced in 1998. That should concern hon. Members of all parties because, without support from constituencies throughout the country, it would not be a genuinely national lottery, there would be no genuine support and the amount of money raised through ticket sales would fall.

My hon. Friend the Member for Caerphilly made a crucial point about the need to integrate lottery spending into local strategies and to give distributors more flexibility to ensure that lottery money is spent in tune with local priorities. That is one of the Bill's key objectives.

Several hon. Members, including the hon. Member for Mid-Bedfordshire (Mrs. Dorries), mentioned additionality. The subject has clearly worried people, and we have been accused of breaching additionality and thus reneging on the principle laid down either by John Major or the Prime Minister. I want to make it clear that we are doing no such thing. We are putting in place the same framework on additionality that existed in 1993 when the original Act came into force. The only difference is that we have taken account of what the public tell us are their priorities.

We do not decide that the Government should spend money on one cause and not another. We do not claim that the Government should spend money on education but not on the arts or sport. The logic of the Opposition's position is that the arts, sports, heritage and charities are not Government priorities. I presume that they do not claim that, owing to the changes that they advocate, they would reduce the amount of money in grant in aid for the arts and sport, heritage and charities. The arts and sport are Government priorities in the same way as education and health. We should decide on the basis not of the causes but the projects.

Mr. David: Will my hon. Friend confirm that additionality has never been defined as something that is in contradistinction to Government policy? It has always been viewed as something that can legitimately enhance Government initiatives.

James Purnell: That is a good point. It we took the argument to its logical conclusion, we would never grant money to anything on which the Government might conceivably spend. That would lead to a bad allocation of public funds. The Opposition may remember that our manifesto in 1997 was widely supported. We made a commitment to spend money on health and education because that was what the public wanted. That was confirmed in 2000 by a MORI poll. The hon. Member for Hornchurch asked earlier about the question in that poll. It asked what were the two or three things that people most wanted the lottery to fund. Fifty-five per cent. of people said education, and I believe that, for 69 per cent., the top priority was health. The top priorities were clearly health and education. YouGov repeated the question, asking people which existing good causes they most favoured. Charities were well

[James Purnell]

supported—I believe that the figure was 30 per cent.—but, again, the most popular replies were health, education and the environment. If people who play the lottery tell us that, we must reflect their priorities.

We must reflect the public's priorities and continue to spend money on the arts, sport and heritage because they are Government priorities, but we must also spend on the other priorities of health, education, the environment and community well-being. Do the Opposition genuinely claim that the public are wrong? Will they issue press releases tomorrow, condemning spending on MRI scanners? Will any Opposition Member volunteer to do that? Will they issue press releases condemning spending on Macmillan nurses, physical education for young people or letting young people in schools learn from veterans about history? If any Opposition Member wants to volunteer to issue such a press release, I should be happy to see the coverage in the local paper.

Mark Pritchard (The Wrekin) (Con): I am grateful to the Under-Secretary for giving way because it gives me an opportunity to put the record straight. The people whom he claims might protest about not having MRI scanners have already paid for them through national taxation. Indeed, they have paid for them through record taxation, which the Government have imposed on them. The money that the Under-Secretary claims should go into the national health service should go to smaller charities, voluntary groups, organisations and those people who are in the community trying to do great work. It is not a case of one or the other but a matter of the Government diverting the funds where taxpayers' money should be spent—for example, on such scanners.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman must not make a speech on an intervention.

James Purnell: I notice that the hon. Gentleman is not putting out a press release, but if he does do so, I shall look forward to receiving it and to him opposing the money for what are, in fact, MRI scanners. I suspect that we have all been involved in raising money for cancer charities, and the point is that that can dovetail with the money raised by Government. This Government have spent more money on health than ever before. Therefore, the MRI scanners are in addition to what the Government are putting in and they benefit people's health. His constituents, I believe, would widely welcome them. If he changes his mind about putting out a press release, I shall look forward to it.

Mr. Don Foster: I, too, congratulate the Minister on his appointment. He has been given a pretty bad hand and is making quite a good fist of it. Ultimately, does not he acknowledge that there is huge confusion in the country at large about what we mean by additionality? Does he agree with his right hon. Friend the Minister for Sport and Tourism who said earlier today that it is important that an understanding of additionality is enshrined in new legislation? Would he be prepared to work with all parties to get an agreed definition to include in the Bill?

James Purnell: Obviously, that can be examined in Committee. Our concern would be whether such a definition would reduce the flexibility of all distributors to make worthwhile grants.

Mr. Swire: A number of confusing statements are coming out surrounding the Bill. As far as I am aware, Macmillan nurses are a charity, so I would be happy to put out a press statement tomorrow saying that they would get more money under the Conservatives' proposals. Given the confusion about additionality in particular, will the Minister undertake to speak with his Whips to ensure that we get more than the prescribed four days in Committee?

James Purnell: Clearly, that is a matter for the usual channels, but the Whips have been perfectly clear that the amount of time necessary for scrutiny will be granted. The delay until October is because of the link with the Olympics decision and to ensure proper scheduling of debates. We agree that the Bill must have proper scrutiny.

On Macmillan nurses, the hon. Gentleman and his colleagues opposed New Opportunities Fund money going on health and yet I have three examples of Macmillan nurses benefiting from NOF, with money spent on nursing care, on the Borders general hospital in Melrose and on a hospice in Moray. I presume that he agrees with such activities and that he therefore supports the idea of lottery money going on health.

Mr. Swire: I am not allowing the Minister to get away with this. The fact is that Macmillan nurses are a charity—charities are one of our original four pillars—and as such will be entitled to receive money.

James Purnell: It is a health charity that spends money on cancer, which clearly confirms that the Opposition's whole case has been blown apart as the hon. Gentleman thinks that money should be spent on health.

Mr. Horwood: I have worked with Macmillan Cancer Relief, which is a charity. The percentage reserved for charities under this Government has gone down from 20 per cent. to less than 20 per cent. and is now proposed to be abolished altogether. Under the current system, help would be given according to the charity's priorities, whereas under his system it would be given according to the Secretary of State's priorities.

James Purnell: No, the priorities would be those for which the charity had applied and which the distributors decided that they wanted to fund. *[Interruption.]* I will return to the matter later in my speech.

Pete Wishart: I accept the Minister's point that a significant proportion of the population would like to see lottery money spent on education and health. Can he

tell me, however, what percentage of the UK population supports spending £1.5 billion of lottery money on infrastructure for the London Olympics bid?

James Purnell: The hon. Gentleman started off by wishing us all the best with the Olympics decision on 6 July, and the Government are united in support of our bid. I know that both main Opposition parties support us and that he does, too. If he wills the ends, he must will the means to have a fantastic Olympics as well.

On additionality, it is clear that the distinction should not be between the causes that we fund, but the projects. The attention of distributors should be focused on funding projects that are innovative, that pilot new developments, that do things that Government could not otherwise do, and that could bring organisations together in a way that Government might otherwise find difficult. I hope that I can reassure my hon. Friend the Member for Bridgend that that will continue under the Bill.

Let me deal with the issue of Government control, which was raised by the hon. Members for Cheltenham and for Hornchurch. It was claimed that the Government were seeking to control grants. That is the opposite of the fact. What happened was that people raised concerns about NOF having prescribed programmes set by the Secretary of State. We have listened to those concerns and, therefore, under the Big Lottery Fund, those decisions will be much further away from Government. The Government will set some high-level priorities and then it will be up to the Big Lottery Fund to formulate the programmes, as set out in the Bill. If we consider the new programmes put forward by the Big Lottery Fund, such as children's play, parks, support for the voluntary sector infrastructure, we will recognise that those are clearly additional and clearly welcome. I assume that the hon. Member for Hornchurch supports them. The whole thrust of the proposals is to put distributors further away from Government and closer to the public, and to give the public a much greater say in how these funds are spent. That is exactly right—it should be the public, not politicians, who have the keenest influence on how the money is spent.

I thought that the right hon. Member for Maidenhead (Mrs. May) was slightly churlish to say that the £65 million being spent through the People's Millions was a small amount of money. Most people would say that having £65 million allocated by the public is a very good initiative, and it is just the start of what we want to see—we want widespread consultation through citizens juries, through the telephone service and through whatever ways that distributors think are appropriate to ensure that they can properly reflect what people want. Therefore, the Bill puts distributors further from Government, much closer to the public and much further away from some Conservative Members' views, which we have established today.

Mr. David: On the critical issue of members of the public being more involved in the decision-making process, will the Minister join me in expressing some reservations about whether the internet can be effectively used in that respect given that socially excluded people do not have good access to the internet?

James Purnell: Clearly, we must ensure that we consult the whole range of people and must not repeat the mistakes made at the beginning of the lottery, when only a subsection of the population was involved. My hon. Friend makes a good point.

On charities, I hope that my hon. Friend the Member for Bridgend has been reassured by what was said about the reserved amount for charities. We guarantee that between 60 and 70 per cent. of Big Lottery Fund grants will go to the voluntary sector, which is an increase. On lifeboats, I reassure my hon. Friend the Member for Blyth Valley (Mr. Campbell) that lifeboats can apply for grants. They have already received £2 million, and if he wants to write to me, I will be happy to examine the issue that he raised.

Finally, the hon. Member for Ludlow (Mr. Dunne) showed his keen interest in heritage, and he will clearly be campaigning on that during his time in the House. We have made it clear that the Heritage Lottery Fund will not lose any money under this Bill. I hope that he will be reassured that the power concerned would not remove any money from the Heritage Lottery Fund—it is merely there as a backstop if people are failing to spend their balances.

We should give credit where credit is due. Many people have paid tribute to John Major and the previous Conservative Government for creating and launching the lottery. Clearly, we should repeat that tribute. The Major Government will be remembered for three things: the national lottery, Black Wednesday and the cones hotline. One out of three is not bad. I pay tribute to Chris Smith for bringing the lottery much more into line with the people's priorities. When we came to power, nearly half the value of lottery grants was going to London and the south-east even though they contain only a quarter of the population of this country. Clearly, that was a scandal. The Tories were on their way to ruining the national lottery. They were turning it into a lottery run by the great and the good, for the great and the good. Chris Smith put that right, and the Labour Government changed that, so that lottery priorities are now much more in line with those of the people. The amount of money going to London and the south-east is now in line with the number of people in London and the south-east.

This Bill will put the distributors at a much greater distance from the Government. It will give the public much more power. It merges three distributors into one, and it will save money to put back into good causes. It will raise confidence in the national lottery, and I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 197, Noes 290.

Division No. 12] **[7.20 pm**

AYES

Adam Afriyie	Mr. Beith
Mr. Peter Ainsworth	Mr. Benyon
Danny Alexander	Mr. Binley
Mr. Atkinson	Mr. Blunt
Mr. Bacon	Mr. Bone
Norman Baker	Peter Bottomley
Tony Baldry	Mr. Brady
Gregory Barker	Tom Brake
Mr. Baron	Mr. Brazier
John Barrett	Mr. Breed

James Brokenshire
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Greg Clark
Mr. Clegg
Mr. Clifton-Brown
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
Mr. Dorrell
Mrs. Dorries
Mr. Duncan Smith
Mr. Dunne
Mr. Ellwood
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Mr. Gale
Mr. Garnier
Mr. Gauke
Mr. Gibb
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Harper
Nick Harvey
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
John Hemming
Charles Hendry
Lady Hermon
Mr. Hoban
Mr. Hogg
Paul Holmes
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Simon Hughes
Chris Huhne
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Robert Key
Miss Kirkbride
Mr. Greg Knight
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Mr. Mackay
David Maclean
Mr. MacNeil
Mr. Maples
Mrs. May
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Moore
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Osten
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Mr. Paterson
Mr. Pelling
John Penrose
Mr. Pickles
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Redwood
Mr. Robathan
Mr. Rogerson
Andrew Rosindell
Paul Rowen
Mr. Ruffley
Mr. Salmond
Mr. Sanders
Mr. Scott
Andrew Sillous
Grant Shapps
Mr. Shepherd
Mr. Keith Simpson
Sir Robert Smith
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Weir
Mr. Whittingdale
Bill Wiggin
Mr. Willetts
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Rob Wilson
Ann Winterton
Sir Nicholas Winterton
Pete Wishart
Jeremy Wright
Mr. Yeo
Sir George Young
Richard Younger-Ross

Tellers for the Ayes:
Bob Russell and
Mr. John Randall

NOES

Ms Abbott
Nick Anger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Miss Begg
Sir Stuart Bell
Mr. Benton
Roger Berry
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Mr. Bradshaw
Kevin Brennan
Lyn Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Gregory Campbell
Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Ben Chapman
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Ann Clwyd
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Rosie Cooper
Yvette Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
Mrs. Cryer
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Dodds
Mr. Donaldson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Mrs. Dunwoody
Mark Durkan
Angela Eagle
Clive Efford
Mrs. Ellman
Paul Farrelly
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Andrew Gwynne
Mr. Hain
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Hendrick
Mr. Hepburn
Mr. Heppell

Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Kelvin Hopkins
Mr. George Howarth
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Tony Lloyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Meg Munn
Mr. Jim Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oliver
Sandra Osborne
Albert Owen
Rev. Ian Paisley
Dr. Palmer
Mr. Plaskitt
Mr. Pope
Stephen Pound
Mr. Prescott
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rooney
Mr. Roy
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Alan Simpson
David Simpson
Mr. Singh
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mark Tami
Ms Dari Taylor
David Taylor
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Noes:
Mr. Alan Campbell and
Mr. Dave Watts

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading), and agreed to.

NATIONAL LOTTERY BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the National Lottery Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 20th October 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further message from the Lords) may be programmed.—*[Mr. Dhanda.]*

The House divided: Ayes 282, Noes 197.

Division No. 13] **[7.35 pm**

AYES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Miss Begg
Sir Stuart Bell
Mr. Benton
Roger Berry
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Mr. Bradshaw
Kevin Brennan
Lyn Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byrne
Mr. Caborn
David Cairns

Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Ben Chapman
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Ann Clwyd
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Rosie Cooper
Yvette Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
Mrs. Cryer
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Clive Efford
Mrs. Ellman
Paul Farrelly
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Andrew Gwynne
Mr. Hain
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Kelvin Hopkins
Mr. George Howarth
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Tony Lloyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Meg Munn
Mr. Jim Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oiner
Sandra Osborne
Albert Owen
Dr. Palmer
Mr. Plaskitt
Mr. Pope
Stephen Pound
Mr. Prescott
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Alan Simpson
Mr. Singh
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mark Tami
Ms Dari Taylor
David Taylor
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Mr. Dave Watts and
Mr. Alan Campbell

NOES

Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Amess
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
Mr. Binley
Mr. Blunt
Mr. Bone
Peter Bottomley
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Greg Clark
Mr. Clegg
Mr. Cox
Mr. Crabb
Mr. Davey
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
Mr. Duncan Smith
Mr. Dunne
Mr. Ellwood
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron

Lynne Featherstone
Mr. Mark Field
Mr. Don Foster
Mr. Gale
Mr. Garnier
Mr. Gauke
Mr. Gibb
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Harper
Nick Harvey
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
John Hemming
Charles Hendry
Lady Hermon
Mr. Hoban
Paul Holmes
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Chris Huhne
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Robert Key
Miss Kirkbride
Mr. Greg Knight
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Laws
Mr. Leech
Mr. Letwin
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd

Tim Loughton
Mr. Mackay
Mr. MacNeil
Mr. Maples
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Moore
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
John Penrose
Mr. Pickles
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Randall
Mr. Redwood
Mr. Robathan
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Paul Rowen
Mr. Ruffley
Bob Russell
Mr. Salmond
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
David Simpson
Mr. Keith Simpson
Sir Robert Smith
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Andrew Stunell

Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Weir

Bill Wiggin
Mr. Willetts
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Rob Wilson
Ann Winterton
Sir Nicholas Winterton
Pete Wishart
Jeremy Wright
Mr. Yeo
Sir George Young
Richard Younger-Ross

Tellers for the Noes:
Mr. Peter Atkinson and
Mr. Geoffrey Clifton-Brown

Question accordingly agreed to.

NATIONAL LOTTERY BILL *[MONEY]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills).

That, for the purposes of any Act resulting from the National Lottery Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any increase attributable to the Act in sums payable out of money provided by Parliament under another enactment, and

(2) the payment of sums into the Consolidated Fund.—*[Mr. Dhanda.]*

Question agreed to.

WELSH GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 107 (Welsh Grand Committee (matters relating exclusively to Wales)).

That the matter of the Government's Legislative Programme as outlined in the Queen's Speech as it relates to Wales be referred to the Welsh Grand Committee for its consideration.

That the Committee shall meet at Westminster on Thursday 23rd June between one o'clock and half-past five o'clock to consider the matter of the Government's Legislative Programme as outlined in the Queen's Speech as it relates to Wales, under Standing Order No. 107 (Welsh Grand Committee (Matters relating exclusively to Wales)).—*[Mr. Dhanda.]*

Question agreed to.

International Criminal Court (Service Personnel)

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Dhanda.]*

7.46 pm

Mr. Julian Brazier (Canterbury) (Con): I am grateful for this opportunity to discuss our armed forces serving abroad in operational theatres such as Iraq and Afghanistan. I am delighted to see my hon.—and gallant—Friends the Members for Blaby (Mr. Robathan) and for Newark (Patrick Mercer) in their places. I am also glad that the hon. Member for Chorley (Mr. Hoyle) is in the Chamber, as I know that, like the Minister who will reply to the debate, he takes a close interest in all matters affecting the welfare of our armed forces.

Hon. Members of all parties in this House accept that we owe a special duty of care to those men and women who are required to take daily risks with their lives on our behalf, and to carry out duties that no other job requires. The military structure has to provide them with a working environment in which there are clearly understood rules, and with an ethos that enables men and women who regard themselves as ordinary to deliver quite extraordinary things again and again. That is something that the British Army, and our other two services, have been achieving for generations. The success of the British forces in Basra, and the relationships that they built with the local community there, reflect that.

The bonds of loyalty and trust—the vertical ones between the different ranks, and the horizontal ones too—that are built in peacetime are vital when a regiment finds itself in harm's way. That is why many of us were deeply concerned that Parliament should have subjected the armed forces to a legal framework that is alien to British law and enforceable by foreign judges who are wholly ignorant of the British military way—and, in many cases, of war itself.

Tonight, I want to focus on two cases: the current investigation of Colonel Jorge Mendonca; and the earlier case pursued against Trooper Williams. I hope that those examples will illustrate why the current legal framework is grossly unfair to men and women to whom we owe so much, and why it strikes at those very bonds of trust that lie at the heart of military excellence.

I want to make it clear that I do not for one second seek to defend any soldier of any nation who abuses his uniform and commits atrocities against civilians or helpless prisoners. Such atrocities are much rarer in the British Army than in any other army that frequently sees action today. The attitudes and the ethos of the British Army have prevented, in the vast majority of cases, the sort of atrocities that so many other armies commit. The idea that the sort of micromanagement that the International Criminal Court Act 2001 entails will improve that is wrong. Indeed, it will work the other way. In the Balkans, it was those European armies that had the least effective discipline and poorest leadership—it is odious to name names, but I am afraid that the example of the Dutch comes to mind in a couple of famous incidents—that were responsible for the worst incidents.

It is quite right that when genuine atrocities are suspected, they should be investigated and pursued. If necessary, charges should be brought and taken through the legal system. However, in the past any charges were always made in accordance with British concepts of justice and tried by a court martial, in which military officers who were familiar with pressures under which soldiers operate would moderate their judgments accordingly. In plain English, that meant that before a man bearing arms for his country abroad could be charged, evidence would have to exist that he or she was directly responsible for deliberate wrongdoing.

Instead, the International Criminal Court Act has introduced something very different. Section 65 (2) states:

> "A military commander... is responsible for offences committed by forces under his effective command and control, or ... his effective authority and control"—

an ambiguous phrase—

> "as a result of his failure to exercise control properly over such forces where ... he either knew, or ... should have known that the forces were committing or about to commit such offences, and ... he failed to take all necessary and reasonable measures within his power to prevent or repress their commission".

The press have carried several stories about Colonel Mendonca's case, but going into detail might involve compromising others facing charges resulting from the death of a civilian, Baha Musa. I simply want to draw attention to several facts. First, Colonel Mendonca received a Distinguished Service Order, the Army's second highest award for gallantry, for his handling of his regiment under extremely difficult conditions in Iraq. Therefore, we should not deal with him lightly. Whatever may or may not have happened in the death of Mr. Musa, it is uncontentious that Colonel Mendonca was nowhere near the scene of the alleged crime. He was some 13 miles away. Nor has there ever been any suggestion that he actively encouraged soldiers to commit an offence. But under the wording of the Act, he has been subjected to a military investigation and advised to seek legal advice. Even if the charges against him are dropped, the International Criminal Court is free to pursue him as it, and it alone, is the judge of whether any investigation in this country was adequate.

The second case is that of Trooper Williams. I shall cite the facts entirely from Treasury counsel's view of the facts of the matter—not the defence's view—so these points are conceded by the prosecuting authority. Trooper Williams was one of a patrol that caught six Iraqi insurgents moving a cart containing heavy machine-gun ammunition. One of the Iraqis escaped and Trooper Williams and another soldier chased him into the courtyard of a private dwelling. The subject resisted capture and was killed, although he subsequently proved to be unarmed. Treasury counsel conceded that

> "The troops worked in dreadful physical conditions, never knowing when, in a moment, an apparently benign situation would turn into a lethal attack".

My hon. Friend the Member for Newark will say more on that, if he catches your eye, Mr. Deputy Speaker. However, I ask the House to focus on those words. Those were the grounds that the Treasury counsel advanced for finally abandoning the case. However, surely the facts in that statement should have been obvious to the prosecuting authorities from the beginning.

One can only imagine the courage it took for two lightly armed soldiers, without backup, to pursue an enemy into a rabbit warren of housing in a country abounding with armed angry men. The soldiers could easily have turned a blind eye and let the man get away, and nobody would have even considered bringing charges against Trooper Williams. His commanding officer chose to stand behind him. Despite that, no less an authority than the Attorney-General overruled the commanding officer's finding that there was no charge to answer and ordered the Crown Prosecution Service to prosecute Trooper Williams. It had been established that the Iraqi was a member of the opposition, and Trooper Williams chose to do his duty. However, the Attorney-General decided, from the comfort and safety of his office, to prosecute a man who did his best in the heat of the moment.

It has not been lost at any level in the Army that that case went so far, and was only finally reluctantly abandoned when it became clear that the particular circumstances were unlikely to convince a jury. Furthermore, the International Criminal Court could still, as it could in the Mendonca case, choose to forget the British process and pursue a prosecution of its own against Trooper Williams.

If those two cases separately are very worrying, they are even more so when put side by side. Let us imagine a situation in which the two cases run together. A good commanding officer is one who gives clear instructions to his subordinates and lets them get on with them. However, in future he will be endangering his position because the provisions in section 65(2) of the Act leave him open to prosecution if he does not take

"all necessary and reasonable measures within his power to prevent or repress"

any possible offences. In Iraq or Afghanistan, soldiers can be in small pockets all over a large area. Worse still, if another case like that of Trooper Williams were to go to trial, the CO who did the right thing—supported a subordinate doing his duty bravely under difficult conditions—would have the added moral pressure that he could himself face charges if he were to dismiss the case, because it could be argued, either in this country or before the ICC, that he had failed

"to submit the matter to the competent authorities for investigation and prosecution."

The wording of the Act ignores the fact that the investigating authority is normally the chain of command in that situation.

If the first half of the provision about

"all necessary and reasonable measures"

is an incentive to micromanagement, the second, about failing

"to submit the matter to the competent authorities for investigation and prosecution"

is a charter for dereliction of trust between commander and subordinate. Does anybody believe that British officers have been involved in widespread cover-ups? I do not believe that that is the Minister's view, because I know that he is committed to the interests of our armed forces, but if it is, he must tell the House. If that is not his or the Government's view, on what possible basis are we putting that threat against commanding officers? As I said, armies that do not commit atrocities are not armies that are micro-managed; they are not armies with lawyers following in their train all the time. They are armies with good leadership and discipline and bonds of trust—the very things that this measure will undermine.

After seeing the way in which Colonel Mendonca has been treated, every commanding officer will have to fight the temptation to distance himself from any soldier in trouble. Many would say, perhaps cynically, that that was the greatest temptation that members of the chain of command faced before this disgraceful law was passed.

The men and women who wear uniform on our behalf in Iraq suffer terrible discomforts. They often suffer horrible wounds, too, and they face the risk of death each day. Another large group of soldiers is due shortly to go to Afghanistan. Territorials from my constituency left last month for Iraq. Those men and women are entitled to expect Parliament to support them when they make split-second decisions in difficult and dangerous circumstances. It is unfair that the bonds of trust that hold our regiments and units together should be undermined in this shameful fashion.

8.1 pm

Mr. Lindsay Hoyle (Chorley) (Lab): Obviously, tonight we are discussing an important subject. It is important that we air our views on behalf of those who find themselves at the wrong end of the law when they thought that they were performing their duty on an order from this country to go to war. Those people put their lives at risk and rightly did the job that they felt they had been trained to do.

Yes, there is a rogue element in everything; and yes, there was a tragic case of an Iraqi whose life was taken in jail—we cannot shy away from that. Somebody is guilty and should be brought to trial. However, should a colonel who was 13, 16 or 20 miles away—no one can be sure because he was away from where the event happened—face the threat of court action or a war crimes trial under a system that was introduced for people such as Milosevic? How on earth could a British colonel doing his duty in a proud regiment such as the Queen's Lancashire suddenly find himself being tried alongside Milosevic? Milosevic was responsible for genocide within Europe. How can a British colonel who was nowhere near, and was unaware that the event had taken place, face the threat of such a trial?

One must ask, why should it stop at a colonel? Why not the brigadier? Why not the general on the ground? Why not the commander of the British forces? Why not, some might say, the Minister or the Prime Minister? There is no end if we follow the chain that is being used so far. Surely we ought not to say that we are making a colonel a scapegoat. What is happening is a tragedy. There needs to be an investigation into the circumstances of that death; nobody will shy away from that. Someone is guilty and someone should be tried. However, it is unacceptable to try and make responsible a colonel who was doing his duty and was given one of the highest honours, a DSO, for his services in Basra. For a man who led his regiment, the Queen's Lancashire, suddenly to find himself in line with Milosevic, a war criminal, is unacceptable.

Trooper Williams has been mentioned. His life was ruined by the chain of events. I feel sorry that someone who is asked to put his life at risk to serve our country

[Mr. Lindsay Hoyle]

according to the wishes of this House should be treated in the worst possible way. It is not acceptable. It is not the right way to go ahead. I hope that common sense will prevail quickly. Let us lift the cloud that is hanging over the British Army. Otherwise, people will say, "Why should I join the Army? Why should I risk my life in any of the three services to find that I may be classed with Milosevic?" It is not the way forward. I hope that people in the Ministry of Defence will agree and that the Minister will bring some common sense to the approach that has been taken so far. I am pleased that the hon. Member for Canterbury (Mr. Brazier) has brought these cases to the House. They need to be heard not only on the Floor of the House but across the country.

8.5 pm

Patrick Mercer (Newark) (Con): I am grateful for this opportunity to speak. It is a pleasure to follow the hon. Member for Chorley (Mr. Hoyle) and I congratulate my hon. Friend the Member for Canterbury (Mr. Brazier) on procuring this debate. It is no coincidence that Lancashire Members on both sides of the House are listening to this debate tonight. I shall expand on that in a moment.

Private soldier, trooper, fusilier, guardsman, lance corporal.—I do not know what the public think those ranks are. Are these mature, developed, highly educated individuals? No, they are not. They are the work horses of the British Army. I commanded 900 of them; 670 were privates and lance corporals. The average age of that gang from Nottinghamshire and Derbyshire was 19½. Most of my private soldiers were straight out of training. They were a little over 18. I asked those boys to go to Bosnia to do a difficult job. They did a fine job, but they faced nothing like the requirements that the soldiers of the Queen's Lancashire Regiment, the Coldstream Guards and the King's Royal Hussars face in theatre at the moment.

It is instructive to notice that Private Beharry has won the nation's most coveted award, the Victoria cross. Guardsman Wakefield has just been blown to pieces by an improvised explosive device. Lance Corporal Brackenbury was killed in action leading his team just outside Basra. We ask a terrific amount of these young men. They are exclusively young men; there is no room on the front line at the moment for women. We also ask a huge amount of the non-commissioned and commissioned officers who command them.

I know that it is a truism, but command is a lonely business. It is a demanding job to get things right when one has youngsters of this ilk around who can get things terribly wrong. One of my lance corporals some 25 miles away from my battalion headquarters in Bosnia got hold of some slivovic, got drunk, took a pistol and, for reasons best known to him, shot at one of my interpreters, and missed. He probably should have been charged for bad musketry, but there we are. The point was that the soldier committed a crime. He was arrested and tried under the Army Act 1955. At no moment did I, as his commanding officer, feel that my future, my career, my judgment or my integrity was in doubt. I recommended that that soldier went forward to court martial, and he was duly punished.

It is instructive and interesting that next door to me was a battalion that did not come from Nottinghamshire and Derbyshire. It got things dreadfully wrong on a number of occasions. At the end of its tour its commanding officer was told that there would be no decoration or promotion for him. He had made a bad job of commanding the battalion. The soldiers under his command who faced discipline under the Army Act did just that. He was not tried; he was not dragged in front of the court—he paid the price in another way. Those conditions were small beer compared to those faced by the Queen's Lancashire Regiment. It is a fine regiment. I had the honour to command one of its companies under my operational command in Bosnia, and I had nothing but admiration for its men.

Regiments do not change their spots over 300 years. That regiment was constantly attacked—by gunfire, improvised explosive devices or ambushes. Many of its soldiers were wounded and one of its officers was killed. They had the difficult job not of Telic 1, which involved fighting a clearly defined enemy, but of on the one hand dealing with terrorists, insurgents and enemies, and on the other helping to rebuild the country and deal with destitute men, women and children and the appalling problem of prisoner handling—all this on about four hours sleep a day, probably in two two-hour bursts. Mr. Deputy Speaker, I do not know if you have experienced that, but if you are 18 or 19 and you are getting four hours kip a day it really is not good. I have experienced it. On top of that, they were operating in temperatures between 40 and 50° C. It was not easy.

What was the judgment on that battalion at the end of their time in Basra? A handful of mentions in dispatches, the first military cross to a warrant officer that the regiment had won in 40 years, and the commanding officer not just given the distinguished service order, but promoted to full colonel at one of the earliest ages possible, earmarked for higher command in the Army, and told that he would probably get an operational brigade in the near future. Colonel Jorge Mendonca—I know him well—is and was no fool. He was a fine officer who led a fine battalion well.

I wonder, to echo the points that were made by the hon. Member for Chorley, just how a commanding officer can be found culpable for failing to supervise soldiers who were some several miles away from him. Again, it did not happen to me eight or nine years ago when I was commanding in Bosnia. I absolutely echo the point so presciently made by the hon. Gentleman. If one is going to charge a commanding officer under the Army Acts and thus the International Criminal Court Act, where does the responsibility stop? The brigade commander told the commanding officer what to do. The divisional commander told the brigade commander what to do. Are they not equally guilty?

For not one moment do I condone whatever happened to Baha Musa. If a crime was committed, the soldiers and those who were responsible must be dealt with, but I fail to understand how the International Criminal Court Act can be invoked when we have perfectly adequate Army Acts that should be able to deal with this. Those who are thought to be directly responsible for these actions should be brought before a

court martial and tried by the officers and the Judge Advocate General, who understands the conditions under which these men are asked to serve.

The Army exists on something called mission command. It is a military creed—a doctrine—and essentially all it means is that a commander says to a subordinate, "This is what I want you to do. These are the resources that you have to do the job and these are the limitations on that job. I want it done by a certain time, with the expenditure of a certain amount of ammunition." That subordinate is then told, "Go, my boy. Don't ask questions. If I tell you to capture hill 60 and the enemy is not on hill 60, press on to hill 70; take it. Do not ask questions. Use your initiative; drive; succeed; minimise your casualties; defeat the enemy."

One simply cannot charge a commander with failing to supervise, having for his whole professional career taught him to apply mission command. Mission command applies just as much to the handling of prisoners as it does to the capture of an objective. If this criminal action goes forward, at a stroke we shall undermine the theology, the creed and the operational doctrine of the British Army. What it means is that commanding officers, company commanders and the other commanders at all chains of command will simply say, "No. I will not take this risk; I will not use my initiative because if I do, I may well end up going to court. Even if my superiors under the Army Acts find me not guilty or find that there is no case to answer, I can still be tried under the International Criminal Court Act."

It is instructive to note, Mr. Deputy Speaker—I welcome you to your place—that with the police recently, when two armed officers have been charged with shooting an unarmed man, who I gather had a table leg under his arm at the time, other armed officers have, in a military phrase, refused to soldier. They have thrown down their weapons or they have threatened to throw down their weapons and say, "If you wish us to go on the streets, prepared to use lethal force, you must give us some protection." The Trooper Williams case and the case of Colonel Jorge Mendonca take that assurance away at a stroke. If the Minister wishes our regiments and our soldiers to do wonderful, amazing, valorous and chivalrous things, we must give them our support.

Too often, we ask boys to do men's jobs. They deserve not just our respect and admiration but our support. If the case of Colonel Jorge Mendonca comes to the conclusion that I fear it might, not only will that support be missing, but we shall have sadly and sorely let down every brave man that takes up arms in the name of the Queen.

8.16 pm

Mr. Ben Wallace (Lancaster and Wyre) (Con): I thank my hon.—and gallant—Friend the Member for Canterbury (Mr. Brazier) for managing to obtain today's debate and I thank the hon. Member for Chorley (Mr. Hoyle) for his words. Representing Lancaster and Wyre, I too have many members of the Queen's Lancashire Regiment living in my constituency or currently serving in the regiment.

I stand here as a former officer in the Scots Guards, where I did eight years' service, not at the dizzy rank of lieutenant-colonel or even major; I served on the front line as a platoon commander or a captain and very often had to face the very real heat that sometimes makes men do things that are irrational or close to the wind—a heat caused by pressure, fear and danger that presents itself in many guises.

One of the hardest things to cope with was my time in Northern Ireland. One was sent as a soldier into what was effectively a civilian conflict and one had to walk the tightest of tightropes. Instructions, yellow cards and warnings were issued; any soldier who got one of those wrong was very quickly charged with failure or a crime. Indeed, on one of my tours two of the soldiers that I served with—Guardsman Fisher and Guardsman Wright—were tried and convicted of murder for actions exactly comparable to those that led to this debate. What was interesting then was that those young men said that they had made a genuine mistake. It is my belief that they did. However, in the end they became part of the Northern Ireland peace process, and yet again, young men in a difficult situation effectively became a political football. I fear that many of the charges due to be laid or being laid in the Iraq conflict may enter that realm as well.

My hon. Friend asked why we do not charge these individuals purely under the Army Acts? Why do we have to go through the international court and not only wash our dirty washing in public but do no favours to men and women currently serving abroad? Imagine what will happen in the streets of Afghanistan or other countries if one of our soldiers has been sitting next to those war criminals who are the worst in Europe for many decades. People will say, "Look, the British Army is the same as Milosevic and all those creatures who deserve to be in the dock." The Government need to be very wary of that.

It is interesting to ask why these soldiers are in such a pressured environment at the moment. One reason is the Government's relentless use of soldiers with inadequate equipment and with, often, a very heavy, politically motivated timetable. My regiment, for example, was sent to Basra last year for what was supposed to be nine days of in-theatre training, to get used to the 50° temperatures and to using the equipment. However, the Government chose to deploy the Black Watch with the promise that the regiment would be back by Christmas, so the nine days turned into two days. My regiment's equipment had not arrived, yet it was still sent north into the conflict zone. If that is not a recipe for future disaster, I do not know what is; it puts young men into difficult situations without protection.

The handling of the case of Colonel Mendonca and the Queen's Lancashire Regiment needs to be addressed. More than a year ago, the regiment and the individuals were informed that no more cases would proceed. They were told that the Special Investigation Branch had concluded its investigations and that that would be that for the four individuals charged originally. However, in March along came a new view from the Ministry, or indeed the Solicitor-General, that 11 people could be charged. That is completely wrong. The Minister should charge and be done.

The Minister must not allow brave men and women, especially people such as Colonel Mendonca, decorated for their service, to be dragged through the newspapers and have their careers put in doubt. Members should imagine being a thrusting commanding officer, waiting

[Mr. Ben Wallace]

for the next step in their career, when a cloud appears over their head, with no real assurances—only the awful case of Trooper Williams, about which we have already heard. That is an appalling way to treat anybody, of whatever rank.

I say to the Minister: charge and be done. If there are to be no charges, he should give the House an assurance that the matter will be at an end. One of the allegations against Colonel Mendonca was that he never gave every man specific written instructions that he should not commit war crimes. Did the Minister, the Secretary of State, the brigadier or the Chief of the Defence Staff write specific instructions? If they did not, we shall end up end with a Minister or a Prime Minister in that court. I do not want any Government to go down that road; they should take care.

The current Chief of the General Staff, General Jackson, was an adjutant at the time of Bloody Sunday. My hon. Friend the Member for Newark (Mr. Mercer) referred to mission command. If Colonel Mendonca is to be charged because he did not issue specific instructions, the Government should beware—the Chief of the General Staff did not have to issue written commands in 1969, nor should he have done so. None the less, he is close to the Iraq issue and to the Government.

The Government must be careful about Iraq. They cannot wash their hands of Iraq by putting their guilt, or some of their opposition, on to the very men and women they sent to war. There are doubts about Iraq on both sides of the House, and they will not go away over the 10 to 15 years before the job is done. Until then, we should remember that the Government must take responsibility. They must not push it on to the young men and women who went to Iraq to do their job with inadequate equipment, little training and little time.

I ask the Government to think carefully about how they proceed. They should charge and be done with it.

8.23 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): I congratulate the hon. Member for Canterbury (Mr. Brazier) on securing a debate on this important matter. His deep and long-standing interest in the armed forces is well known and appreciated. The subject is important and although the hon. Gentleman has touched on the circumstances, it may be helpful if I set out the background as seen from the Government side.

More than 50 years ago, the United Nations recognised the need to establish an international criminal court to prosecute crimes such as genocide. The General Assembly adopted the convention on the prevention and punishment of the crime of genocide. At the same time, the International Law Commission was asked to consider whether an international court to try persons charged with genocide and other crimes of similar gravity was feasible and desirable.

Following a positive response from the commission, the General Assembly established a committee to prepare a draft statute. In 1953, a decision on a statute was postponed pending definition of "aggression" and the need for a code of crimes. It was not until 1989 that the General Assembly asked the commission to resume working on the international criminal court, which, at the request of Trinidad and Tobago, would also have jurisdiction on drug trafficking.

In the early 1990s, conflicts in the former Yugoslavia and in Rwanda, and the appalling brutality perpetrated by parties to those conflicts, brought the subject of genocide to the fore once again. As a consequence, a draft statute was presented to the General Assembly and an ad hoc committee on the establishment of an international criminal court was set up to hold individuals to account for atrocities. The drafting of the text was finally completed in April 1998. In summer 1998, a United Nations diplomatic conference on the establishment of the court was held in Rome. Great Britain played a major role at the conference and in the preparation of the draft international criminal court statute.

Upholding international law, and the application of the law of armed conflict, have long been at the heart of Britain's foreign policy under all Governments. The UK was one of the early signatories of the statute, which was to come into force after 60 states had ratified it. The UK ratified it in 2001. The necessary 60 ratifications were achieved and the International Criminal Court came into existence on 1 July 2002. At that time, my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs declared:

> "The culture of impunity, which has shrouded human rights violations for too long, will be over."—[*Official Report*, 11 April 2002; Vol. 383, c. 529W.]

At present, 99 countries are party to the ICC.

The court's jurisdiction is carefully set out in the statute, which permits it to punish war crimes, genocide, crimes against humanity, including mass murder of civilians, torture and mass rape. The principle of universal jurisdiction allows the court to proceed against any individual suspected to have committed war crimes in any part of the world. The court operates under the principle of complementarity, which simply means that jurisdiction is shared between the ICC and national courts, with primacy given to national courts. The ICC can exercise its jurisdiction only when a nation is not able or willing to prosecute such crimes.

Mr. Brazier: Will the Minister confirm that the final judgment on whether the investigation or, in some cases, prosecution of the crimes has been adequately carried out is made by the International Criminal Court itself? If a case has been investigated and dropped, the ICC is free to take the view that it has not been properly investigated.

Mr. Touhig: If the hon. Gentleman permits me, I shall come to that point later.

The first priority always goes to national courts. The International Criminal Court is in no way intended to replace the authority of national courts.

In this country, legislation passed by this Parliament was needed to ensure that the UK could co-operate with the ICC. Devolution meant that the Scottish Parliament needed to pass a similar Bill for the same purpose. The legislation was needed to enable the United Kingdom to ratify the statute. The International Criminal Court Act 2001 covers England, Wales and Northern Ireland, and

many of its provisions extend to Scotland as well. The Act establishes a legal basis for the UK to offer support and co-operation to the ICC in all the ways provided for in the statute that were not already possible under domestic law: for example, UK authorities are empowered to arrest and surrender suspects indicted by the ICC. However, I repeat: the ICC will be able to take jurisdiction over an offence committed in the UK or by a UK citizen only if the domestic authorities are unable or unwilling to investigate or prosecute the case. The Act also incorporates the statute offences—genocide, war crimes and crimes against humanity—into domestic law, so that the British courts can try those offences themselves.

During the passage of the legislation, concerns were expressed about the implications for our service personnel. First, there was concern that the ICC and the Act were creating new criminal offences. However, the Attorney-General told Parliament that the ICC statute contained descriptions of war crimes to which Parliament in this country had already assented. The UK's armed forces have always sought to conduct armed conflict in accordance with international law and the Bill, he said, would not alter that fact.

Secondly, there was concern that a politically motivated prosecution could reach the ICC. Some said that it could not be guaranteed that the court would never bring politically motivated charges against UK personnel, but the Government took the view that the risk was minimal. We remain satisfied that the Rome statute contains sufficient safeguards against such cases being brought before the court. In addition, there would have to be a catastrophic failure of the UK criminal justice system for the ICC to assume jurisdiction.

Mr. Brazier: The Minister seems to concede what the briefing from the House of Commons Library—usually a good source—states categorically, which is that in any of various circumstances listed, the ICC could take up the case. Crucially, it states:

"It falls to the ICC to determine whether these circumstances apply. There is an appeals procedure but the ICC determines the appeal as well."

The examples I gave represent a departure from the standards that we traditionally expect of our armed forces. That a commanding officer should be held responsible because he might have micro-managed a situation and prevented something from happening 13 miles away is a concept wholly foreign to British military law and British military command.

Mr. Touhig: I understand that, but I can only repeat that the Government's view is that there would have to be a catastrophic failure of our criminal justice system for the ICC to assume jurisdiction in such matters. The 2001 Act does not make British service personnel more vulnerable; it does not criminalise any conduct that was previously lawful. The definition of war crimes in the statute is already part of established law of armed conflict. The responsibilities of a commander for the offences of forces under his command as set out in the statute go no further than is already the case in our own armed forces: neglect of duty has always been an offence under military law.

Patrick Mercer: I do not wish to destroy the Minister's chain of thought, but will he give his view on where responsibility starts and where it stops if one accepts his argument? One might say that it stops with the formation in which the incident or offence occurred. Perhaps it stops with the cap badge, in which case it is instructive to note that some of those charged in the case that we are discussing are not soldiers of the Queen's Lancashire regiment. Does responsibility stop at lance corporal? Section commander? Platoon commander? Company commander? If it should reach as far as commanding officer, why not brigade commander? I realise that the point has been made already, but I am interested in hearing the Minister's view.

Mr. Touhig: I repeat that the responsibilities of a commander for the offences of forces under his command as set out in the statute go no further than is already the case in our own armed forces: neglect of duty has always been an offence under military law. The statute did not require the UK to change its approach to military operations in any respect, nor is this the first time that an international criminal court has had jurisdiction over our forces in operations.

Patrick Mercer: I return to the point that I made earlier. I described an incident in my battle group—my battalion—where one of my non-commissioned officers had committed a crime. Indeed, he had. He was charged with that crime. At no point in that process did I feel myself vulnerable. At no time did his company commander, his company second-in-command or his platoon commander feel vulnerable. What is the change?

Mr. Touhig: I do not think that there is a change. The point that the hon. Gentleman has made from his own experiences shows that so far as our operations are concerned, and given the guidelines and the rules by which we operate our forces in areas of conflict, we are operating properly. I think that the definition that the hon. Gentleman gave earlier in his contribution demonstrated that from his personal experience.

It is not the first time that the ICC has had jurisdiction over our forces in operations. The personnel of every NATO state during the Balkans conflict were subject to the similar criminal jurisdiction of the International Criminal Tribunal on the former Yugoslavia. In that specific case, however, the tribunal had primacy over national courts, unlike the ICC where national courts would be given the first option to prosecute.

British service personnel receive training and guidance at an appropriate level—a high level—of the principles and the application of the laws of armed conflict, at various stages in their careers. Suitable refresher training in these matters is also given to personnel before deployment in operations. Our experience of the ICC since its inception has not altered the views that we took at that time. We remain an enthusiastic supporter of the court, committed to its principles and confident in its approach to international law.

I can confirm that the ICC prosecutor wrote to Her Majesty's ambassador in The Hague in 2003 forwarding a complaint made by the Athens Bar Association concerning British military operations in Iraq. The Government have provided a formal reply to the prosecutor, giving the response to the allegations and

[Mr. Touhig]

setting out UK national procedures for the investigation of such allegations. We believe this reply to be a convincing rebuttal of the allegations. However, there have been a number of press reports recently that up to 15 British soldiers face prosecution under the ICC. These reports concern the alleged torture and death of an Iraqi civilian who died in British military custody. I can confirm that allegations against the soldiers have been investigated by the Royal Military Police and that evidence against a number of soldiers is currently being considered by the independent Army Prosecuting Authority.

As the House is well aware, we all take such allegations with the utmost seriousness, and they have to be investigated with scrupulous care. That is the point that has been made by hon. Members on both sides of the House. It is not known at this stage whether the Army Prosecuting Authority intends to bring charges, but if soldiers are to face trial, it will be either in the civilian criminal courts for breaches of English law or by court martial under the Army Acts.

Mr. Brazier: The Minister is surely missing the point. The issue does not involve the soldiers who allegedly committed this murder. The issue is that a military commander is now deemed to be negligent or, in the words of the Act, to have failed to

"exercise control properly . . . when he either knew or"

owing to the circumstances at the time, should have known, that the forces were committed or about to commit offences and

"failed to take all necessary and reasonable measures within his power to prevent or repress their commission."

That is what is completely new. It goes against every principle of military law and against the way in which our armed forces are organised.

Mr. Touhig: I am sorry to disagree with the hon. Gentleman. I do not believe that there is anything further that existed before the Act was brought into force. There were procedures with which our forces were expected to comply under British law. Those procedures remain today. They have not been changed as a consequence of the Act.

Mr. Hoyle: I think that the question is why does it stop at the colonel? Why does it not go to a brigadier? Why not a general and why not a chief of staff? Where does the process end? Does it go right through Government? We understand that the process has reached a colonel, but why does it stop there? Why does it not continue right through to the Prime Minister?

Mr. Touhig: My hon. Friend has reinforced an important point made by Opposition Members. However, I am not tempted to trespass down that path, as an investigation is still under way. The implication of this evening's debate is that no one should reach hasty conclusions on such matters.

The hon. Member for Canterbury appeared to suggest that we carried out a different procedure in our investigations in the Baha Musa case. I would like to reassure him, however, that we have not done anything differently from the way in which we did things prior to the implementation of the Act. A number of references were made to Trooper Williams. All soldiers understand that they are ultimately accountable for their actions to a court of law, but they can be assured that if they act in good faith and in accordance with the rules of engagement they should have nothing to fear from scrutiny of their conduct. Indeed, Trooper Williams was supported throughout, as are all service personnel facing legal proceedings, by the Ministry of Defence. Defence costs were met by the Department, and his regiment supported him by, for example, appointing a full-time officer for his direct assistance. That demonstrates the care provided for people in the circumstances in which Trooper Williams found himself, and it is the right way in which to tackle such matters. The hon. Gentleman said that the Attorney-General decided to overrule the decision of Trooper Williams's commanding officer. My advice is that senior Army staff were concerned that the legal advice on which the CO acted was flawed. The papers were then passed to the Attorney-General, who referred the matter to the Crown Prosecution Service. The decision to prosecute was made by the Director of Public Prosecutions. The court made it clear that there was not any criticism of the DPP, the Attorney-General or the Army, but senior Army staff were concerned about the legal advice given to the CO at the time.

The hon. Gentleman made an important point about the ethos at the heart of the Army. He rightly said that bonds forged in peacetime make the Army stronger and more unified as it goes into conflict.

Mr. Andrew Robathan (Blaby) (Con): I am grateful to the Minister for giving way, particularly as I have not attended the whole debate, and heard only the opening speech of my hon. Friend the Member for Canterbury (Mr. Brazier). Is not the ethos the crux of the matter? The Minister has spoken a great deal about the International Criminal Court, and the need to prosecute war crimes, atrocities and genocide. However, in this case, we are talking about the prosecution of war when, in good faith and in the heat of battle, people are required to make a split-second decision. Trooper Williams may have been acquitted, but he experienced months of stress and horror. We ask these people to go and do our bidding in war and in times of danger, so we must support them to the hilt. This will lead to a change in the ethos of the armed forces to the extent that we will not be able to expect them to take part in war in the same way.

Mr. Touhig: I understand the point that the hon. Gentleman is making, but I can only repeat my advice that senior Army staff were concerned about the legal advice given to Trooper Williams's CO. That is how the process started. I admit, however, that that does not detract from the stress, pain and suffering that he and his family experienced in those difficult times and with which we all sympathise. As I said, the Department supported him throughout that period, as we thought that it was right and proper to do so.

I fully understand the points made by my hon. Friend the Member for Chorley (Mr. Hoyle). Like other hon. Members, he mentioned Colonel Mendonca, who will

not be made a scapegoat. A proper investigatory procedure is being carried out. That is the right way in which to conduct these matters. I will not tolerate scapegoating, and I am sure that other hon. Members will not do so either. The hon. Member for Newark (Patrick Mercer) spoke with considerable authority, given his experience, and he made a valuable contribution to our short debate. That shows the House at its best—people can bring their experience to bear on a major issue such as this and enhance the quality of the debate. The hon. Gentleman talked in real terms about the difficulties that may have to be faced, the tense circumstances in which decisions have to be made and the consequences that may arise from those decisions.

The hon. Member for Lancaster and Wyre (Mr. Wallace) made a similar contribution, again emphasising the importance of the House having people on both sides who are able to make a useful and important contribution to an issue as complex as this.

In conclusion, I say to the hon. Member for Canterbury that our determination to uphold and comply with international law and to support the International Criminal Court in that endeavour is matched by our commitment to the rights and well-being of our forces. That has to be uppermost in our minds; it certainly is in mine and, I know, in that of my right hon. Friend the Secretary of State. Our forces perform immensely difficult and dangerous duties with distinction in many parts of the world. We ask them to serve, and they serve, and they serve us well.

There is nothing mutually inconsistent in the aims that I have outlined. We and our service personnel have nothing to fear from the International Criminal Court. Only tyrants and others who callously ignore and breach the established rule of international law, and oppress and persecute the vulnerable, should feel its justice. I am confident that the values and standards of our armed forces, as exemplified by the comments made in the debate, the incomparable training that they receive and the quality of our leadership that they have will hold us in good stead, whatever comes.

Question put and agreed to.

Adjourned accordingly at fourteen minutes to Nine o'clock.

House of Commons

Wednesday 15 June 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LIVERPOOL CITY COUNCIL (PROHIBITION OF SMOKING IN PLACES OF WORK) BILL [*Lords*]

Motion made,

That so much of the Lords Message [19 May] as relates to the Liverpool City Council (Prohibition of Smoking in Places of Work) Bill [*Lords*] be now considered.

Hon. Members: Object.

To be considered on Wednesday 22 June.

LONDON LOCAL AUTHORITIES (PROHIBITION OF SMOKING IN PLACES OF WORK) BILL [*Lords*]

Motion made,

That so much of the Lords Message [19 May] as relates to the London Local Authorities (Prohibition of Smoking in Places of Work) Bill [*Lords*] be now considered.

Hon. Members: Object.

To be considered on Wednesday 22 June.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Royal Irish Regiment

1. **Mr. Jeffrey M. Donaldson** (Lagan Valley) (DUP): What discussions he has had with the Chief Constable and the General Officer Commanding on the future deployment of the Home Service battalions of the Royal Irish Regiment. [3011]

The Minister of State, Northern Ireland Office (Mr. David Hanson): My right hon. Friend the Secretary of State meets regularly with his security advisers, including the Chief Constable and the General Officer Commanding, to discuss the security situation in Northern Ireland. However, as I am sure the hon. Gentleman will understand, the details of troop deployments undertaken by the Army in fulfilling its role of supporting the Police Service of Northern Ireland are operational issues and therefore matters for the GOC.

Mr. Donaldson: Speaking as someone who previously served with the regiment, I take the opportunity to salute the courage of the Royal Irish Regiment Home Service battalions in discharging a service to the people of Northern Ireland for some 30 years. Is it not time, however, that we gave those soldiers the clarity and certainty that they desire about their future? The current doubt and uncertainty is definitely causing morale problems among the soldiers. I understand what the Minister said about the operational requirements, but is it not time that the Government clearly announced that the Home Service battalions will continue to fulfil an important role in providing security to the people of Northern Ireland for now and for the future?

Mr. Hanson: I join the hon. Gentleman in paying tribute to the work that the battalions have undertaken, for which there is considerable support in the community. I also pay tribute to the work that the hon. Gentleman himself has done. I hope that I can reassure him by saying that the Government have no plans to disband the Royal Irish Regiment in general or the three Home Service battalions in particular. They remain an essential component of the Army's support to the Police Service of Northern Ireland and will continue to be so as long as the terrorist threat remains. I hope that that reassures the hon. Gentleman. The situation is fluid and may change, but for now, as I said, those battalions provide an important and essential component of the Army's support services.

Mr. Andrew Robathan (Blaby) (Con): I am delighted to hear that the Government have no plans to disband the Home Service battalions of the Royal Irish Regiment, but does the Minister agree that at a time when the Government are deploying extra troops in Afghanistan and Iraq and disbanding four infantry battalions, the Royal Irish Regiment's role is even more important? Is the Minister confident that, should there be a resumption of violence in Northern Ireland, sufficient troops will be available to deploy there to assist the Police Service of Northern Ireland?

Mr. Hanson: I can give the hon. Gentleman a categorical yes on that question. He will know that the Royal Irish Regiment plays a strong supportive role to the PSNI and I have given a commitment today, on behalf of the Government, that so long as the security situation remains difficult, the battalions will remain in position. As I have already made clear, that is our commitment and we believe that those battalions will remain an essential component of the Army support service in Northern Ireland.

Devolution

2. **Mr. Tom Harris** (Glasgow, South) (Lab): What discussions he has had with Northern Ireland's political parties on restoration of the devolved institutions. [3012]

The Secretary of State for Northern Ireland (Mr. Peter Hain): First, I would like to pay tribute to my predecessor, my right hon. Friend the Member for Torfaen (Mr. Murphy). As I have travelled throughout Northern Ireland and, indeed, across the border during

this past month, I have not been surprised to find that he is viewed with considerable respect and affection for all that he has done.

I have had good meetings with the main parties and, provided that the Provisional IRA commits itself to ending all paramilitary activity and criminality, I remain hopeful of restoring the devolved institutions.

Mr. Harris: I welcome my right hon. Friend to the Dispatch Box as the new Secretary of State for Northern Ireland. The whole House will agree with the principle that democratic parties should not share power with parties that continue to balance the ballot box in one hand with the Armalite in the other. When he next meets representatives of Sinn Fein, will my right hon. Friend remind them that total decommissioning is not a concession, but a basic requirement for any party that hopes to establish its democratic credentials?

Mr. Hain: My hon. Friend makes his point eloquently, as always. There is now a cross-party commitment to insisting that paramilitary activity and criminality are banished from Northern Ireland, particularly in respect of its politics. That is vital if progress is to be made and we await the forthcoming statement from the Provisional IRA to see how it measures up against that important yardstick.

Dr. William McCrea (South Antrim) (DUP): Does not the Secretary of State understand that recent events have proved beyond doubt that Sinn Fein-IRA are totally incapable of making the move to exclusively democratic means? Surely it is time to move on. The Government must proceed without Sinn Fein-IRA. No amount of IRA verbiage will move Unionists to support anything less than the total demolition of IRA structures and the total end of all criminality.

Mr. Hain: I certainly agree that there has to be an unequivocal commitment to ending criminality and paramilitary activity. Moreover, given the events of the past year or so, that commitment must be validated and verified. I am sure that the hon. Gentleman will agree that that is the important principle. If we are able to secure such a commitment and make sure that it has taken root, we will then be able to establish the basis for inclusive government, involving all parties committed to exclusively democratic and peaceful means. I hope that that will include Sinn Fein in the future.

Mr. Eddie McGrady (South Down) (SDLP): On behalf of my party, may I welcome the Secretary of State and two of his ministerial colleagues to their new Front-Bench posts? I also welcome the return of another colleague to her position, and I hope that there will be great co-operation with them all.

The Secretary of State has said in public that all democratic and political progress in Northern Ireland depends on a statement from the army council of the IRA, and that that statement must be acceptable and represent no hindrance to political progress. How would the right hon. Gentleman define the acceptability of such a statement in respect of decommissioning and the cessation of criminal activity and operational capacity? Is he not concerned that such a statement would allow groups such as Sinn Fein to participate in policing and other institutions of law and order? Does he accept that a very close analysis of such a statement would have to be made to ensure that it contained no potential blocks to political progress?

Mr. Hain: My hon. Friend has put that question very well, and I pay tribute to the role of the Social Democratic and Labour party in the peace process over very many years. It has shown tremendous courage and vision, for which it has not necessarily received credit or recognition at the ballot box. History will show that the SDLP's courage and leadership have been vital components in establishing an unparalleled period of prosperity, stability and political progress in Northern Ireland.

Lembit Öpik (Montgomeryshire) (LD): The right hon. Gentleman is the fifth Secretary of State with whom I have had the pleasure to work. In the light of our shared responsibilities, I have little doubt that he would agree that the future looks bright for Northern Ireland, and for Wales as well.

The Secretary of State will have seen the 10 benchmark measures set out by the Alliance party to evaluate the robustness of statements made by paramilitaries, including the IRA. Does he agree that it is necessary to have objective measures to assess the paramilitaries' commitment to peace? Is he willing to accept an invitation to meet the Alliance party's leader, David Ford, to discuss those 10 measures and the rationale behind them?

Mr. Hain: First of all, I thank the hon. Gentleman for his welcome. I note that he is my shadow in Wales as well as Northern Ireland, so I shall have to watch out for him. However, if he invites me to fly from Wales to Northern Ireland in his aircraft, I do not think that I will accept. He does the flight regularly, but he is the pilot and I am not sure how safe the journey might be.

Certainly, I will give a commitment to meet David Ford again. The Alliance party has put forward an interesting set of proposals, which contains a lot of common sense. I have met him before, and his Alliance party leadership colleagues, but of course we want to maintain close contact.

Dr. Nick Palmer (Broxtowe) (Lab): Does my right hon. Friend accept that many of us are concerned that peace processes tend either to move forward or roll backwards? In the light of what the hon. Member for South Antrim (Dr. McCrea) said earlier, will he stress that we reject the tendency of some parties to rule out concession or compromise even before they have heard what the other side has to say? Is not the only way forward to work with those parties that are willing to reach a compromise?

Mr. Hain: It is important that we all work together, according to the principles of inclusive governance and power sharing established in the Belfast agreement. My hon. Friend will recognise, however, that it is equally important that we banish the bullet, the bomb and all criminality and paramilitary activity from Northern Ireland's politics. Progress has been made, but it is still not good enough and we must move forward.

Mr. David Lidington (Aylesbury) (Con): I welcome the Secretary of State to his post, and I also welcome the Minister of State, the hon. Member for Delyn (Mr. Hanson), and the Under-Secretary of State, the hon. Member for St. Helens, South (Mr. Woodward), to their new responsibilities. I should also like to take this opportunity to pay tribute to the right hon. Gentleman's predecessor, the right hon. Member for Torfaen (Mr. Murphy), with whom I much enjoyed working when we had the responsibility of speaking for our respective parties on Northern Ireland. There is no doubt about his dedication and commitment to the welfare of all the people of Northern Ireland. Does the Secretary of State agree that before an inclusive Executive can be established in Northern Ireland, the Provisional IRA will have to disband?

Mr. Hain: I thank the hon. Gentleman for his welcome and, especially, his tribute to my right hon. Friend the Member for Torfaen (Mr. Murphy). On the final question, it is important that we banish paramilitary activity and criminality from Northern Ireland's politics. I do not want to get stuck on words, because—as he will know from shadowing my predecessors—it is important to achieve the objective rather than to erect an obstacle. Sometimes words erect obstacles.

Mr. Lidington: Words can erect obstacles, but I would hope that the Secretary of State would agree that we are now at the stage where ambiguity about language becomes an obstacle to agreement rather than something that facilitates agreement. If he does not want to use the word "disbandment", I invite him to go further than his earlier response when he talked about the need for Sinn Fein-IRA to commit themselves to ending all paramilitary involvement and all criminality. Does he agree that a commitment is not enough? What is required is that paramilitary organisations actually end their involvement in crime, cease to be organised paramilitary forces, and can be shown to have done so permanently?

Mr. Hain: I agree with the hon. Gentleman to the extent that a commitment is not enough, although a commitment in clear and unequivocal terms is important. We will now need, in view of what has happened in the past months and years, to see the Independent Monitoring Commission playing its role to verify what is going on. That is important and I hope that the hon. Gentleman will work with me to achieve that objective on a bipartisan basis.

Parades Commission

3. **Lady Hermon** (North Down) (UUP): What action he is taking to increase public confidence in the Parades Commission. [3013]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Shaun Woodward): Ministerial colleagues and I are engaged in a series of meetings with all interested parties and institutions, including the Parades Commission, to discuss this year's parades and processions. In a climate that can give rise to tension and, regrettably, disorder, the commission deserves the full support of everyone in Northern Ireland for carrying out its important task impartially and working in the best interests of the whole community.

Lady Hermon: I am most grateful to the Minister for that reply, although I think that it will fall on deaf ears in Northern Ireland. I take this opportunity to welcome the Minister and his colleagues not only to the Dispatch Box, but particularly to the Northern Ireland Office. Is it the Minister's view that the Parades Commission is being deliberately provocative in refusing permission for parades simply because the names of individual Orangemen are not actually listed on the application forms? It is perceived as deliberately provocative.

Mr. Woodward: I am grateful to the hon. Lady for her comments. The specific form to which she refers is known as the 11/1 form. There is a statutory requirement for parade organisers to notify the police at least 28 days in advance of a parade and they have to complete an 11/1 form. It also includes a statutory requirement to identify the person organising the parade. Since the commission was established, all parade organisers have satisfied the requirement to complete the form. This year, a handful of forms—some earlier in the year and some recently—have been submitted without completion of the specific box to identify the name of the person organising the parade. My understanding is that discussions are now taking place—even today—about whether the parades that took place and will take place on the basis of technically incorrectly completed forms are, while challenging to the commission, none the less still legal. We would of course like all groups to co-operate with the commission to ensure a peaceful season. We are therefore hopeful and confident that a solution is now being found to that specific problem.

Mrs. Iris Robinson (Strangford) (DUP): The Minister will agree that confidence in the Parades Commission is virtually nil in the Unionist community. Does he accept that the situation will not have been improved by legislation that increased the powers of the Parades Commission and granted it the authority to make determinations about not only those seeking to parade, but those viewing a parade?

Mr. Woodward: I absolutely accept that there is a dispute about the Parades Commission at the moment, especially among some members of the Orange Order. I remind the hon. Lady of the comments made by the Northern Ireland Affairs Committee about the good job that the Parades Commission has done. Indeed, no one has come forward with alternative proposals for such a commission.

There will of course be the opportunity for us to examine the commission's composition at the end of the year, after its current chairman retires. I am well aware that all seven members of the commission are currently men. If we want it to be representative of the community, it would be nice to see some women members. The commission itself has acknowledged that there will be an opportunity in the autumn for its processes to be examined, which will include all the forms involved in parades.

Security Policy

4. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on the security situation in the Province. [3014]

5. **Mr. Henry Bellingham** (North-West Norfolk) (Con): If he will make a statement on the security situation in Northern Ireland. [3015]

The Secretary of State for Northern Ireland (Mr. Peter Hain): The feuding between loyalist terror groups continues, as does dissident republican activity. Paramilitary organisations on both sides continue to engage in attacks on their communities. It is time for all paramilitary violence and criminality to come to an end.

Mr. Mackay: I, too, welcome the Secretary of State to his important new post, but put it to him that his answer was inevitably rather dismal and disappointing. Will he comment on the joint declaration, which made it absolutely clear that there could be no political normalisation until the IRA and other terrorist and paramilitary organisations had disbanded? Can we assume that he supports that policy as the new Secretary of State?

Mr. Hain: I am grateful to the right hon. Gentleman. I stress that I think that we are at one in insisting that paramilitary activity and criminality are banished from Northern Ireland's politics, and even in saying that that should underpin Northern Ireland's politics. I am rather more concerned about the criminality at the moment because it is infecting the whole foundations of Northern Ireland's politics and seeping across the border into the south, so we are mindful of that.

Mr. Bellingham: In welcoming the Secretary of State to his post, does he recall writing in the early 1970s that all sensible people were demanding that troops be taken out of Northern Ireland? Luckily, most sensible people ignored his advice and the troops went on to play a vital role in securing peace in the Province. Given that we need an ongoing military presence in the Province, has he changed his mind?

Mr. Hain: I had been wondering who was going to ask that question and I actually thought that it was probably going to be the hon. Gentleman, so he has turned up on cue. It is important that the whole of Northern Ireland moves forward. *[Interruption.]* Indeed, not back; not back to the 1970s, 1980s or 1990s—we need to continue to move forward. I have talked to people in Northern Ireland and all the elected politicians over the past month and it is significant that no one is thinking what he is thinking. They want to move forward, not back.

Sammy Wilson (East Antrim) (DUP): As the Secretary of State omitted to include what the Independent Monitoring Commission report said about IRA activity in Northern Ireland in his previous response, does he agree with the recent report of the IMC that says that the IRA is still involved in targeting, training, importing arms and financing its organisation? In the light of that, will he explain to the House and the people of Northern Ireland how giving a veto on political progress to the political representatives of the IRA is likely to change that mode of behaviour?

Mr. Hain: There is no veto, and there can be no veto, for anybody in the political process in Northern Ireland, and certainly not for the IRA. Progress and discussions continue, and my ministerial team and I are involved in that. The IMC report was explicit, however, about the activity carried out by the Provisional IRA, loyalist paramilitary groups and republican paramilitary groups of another description. It has to stop. The IMC is explicit about that and it will continue to monitor the situation for us. *[Interruption.]*

Mr. Speaker: Order. The noise level is building up. I ask for order in the Chamber.

Mr. Laurence Robertson (Tewkesbury) (Con): May I also welcome the Secretary of State and his ministerial team to their new positions?

Given that the Government are running down the full-time police reserve force in Northern Ireland and have failed to increase the part-time reserve force to the levels recommended by Patten, does the right hon. Gentleman understand that many people will be surprised to find that the Government are considering recruiting community support officers? Does he further understand that many people could be concerned that they will be seen as a replacement for more experienced police officers and that they could be drawn from existing paramilitary organisations or have paramilitary backgrounds? Will he assure the House that that will not be the case?

Mr. Hain: Clearly, that would not be either the intention or the effect. There are around 10,500 troops in Northern Ireland who are responsible for maintaining security, and I am sure the hon. Gentleman will agree that they do a very good job. We are, however, seeking to normalise policing and security, which is reflected in the reforms in the Police Service of Northern Ireland. That includes new proposals for community policing, which I hope he will support. *[Interruption.]*

Mr. Speaker: Order. Again, there is far too much noise. It is unfair to those who are involved in Northern Ireland questions.

Rating Policy

6. **David Simpson** (Upper Bann) (DUP): If he will make a statement on the review of rating policy in Northern Ireland. [3016]

The Parliamentary Under-Secretary of State for Northern Ireland (Angela E. Smith): The calculating system is obviously unfair and out of date. Two major reforms of the ongoing review have already been implemented: the rating of vacant non-domestic property and the phasing out of industrial derating. Further reforms will be introduced in April 2007 for the domestic sector, including the change from rental to discrete capital values and a new rate relief scheme. Consultation is already under way on charitable and business relief proposals.

David Simpson: In light of the fact that a majority of the people in Northern Ireland voted for parties that had specific manifesto commitments to oppose the Government's current plans to change the rating system in the Province, will the Minister consider delaying any legislation on that until there is a consensus among the people on whom it will have a direct impact?

Angela E. Smith: We have to recognise that although we take on board as much public opinion as possible, we must press ahead with rating reform and proposals on water charges. Households in Northern Ireland contribute less than half the taxes and charges than those paid in similar circumstances in England, Wales and Scotland. If we are to sustain and improve public sector investment, we have to ensure that the money comes in.

Parades

7. **Mr. Gregory Campbell** (East Londonderry) (DUP): What discussions he has had regarding the forthcoming parades season in Northern Ireland. [3017]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Shaun Woodward): Ministers are in the process of meeting representatives from the political parties and loyal orders with a view to ensuring that the 2005 marching season passes off peacefully and can be enjoyed by those who participate in it.

Mr. Campbell: I thank the Minister for his response. Will he elaborate on what further measures are being undertaken by the Northern Ireland Office to ensure that parades, such as the small number of parades organised by the Orange Order that go close to nationalist areas, enjoy the same freedom as the small number of nationalist parades that go close to Unionist areas—something that they have enjoyed for the past 30 years?

Mr. Woodward: The Parades Commission is in consultation with all interested parties. The more that can be done to bring all political parties and institutions to consult and co-operate with each other, the more likely it is that we will see another season—the third—in which there is little public disorder, little violence, and further peace and progress for all the people of Northern Ireland.

Unemployment

8. **Chris Ruane** (Vale of Clwyd) (Lab): What the level of unemployment is in Northern Ireland; and if he will make a statement. [3018]

10. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What the level of unemployment in Northern Ireland is; and if he will make a statement. [3020]

The Parliamentary Under-Secretary of State for Northern Ireland (Angela E. Smith): Seasonally adjusted figures from the labour force survey for the period from February to April 2005 estimate that there are 37,000 unemployed persons in Northern Ireland, which equates to an unemployment rate of 4.8 per cent. Over the last year the number of unemployed people in Northern Ireland fell by 2,000 and the unemployment rate decreased by 0.4 percentage points.

Chris Ruane: Does my hon. Friend agree that we have come a long way since the dark old days when employment opportunities were governed by a person's Christian name, which church they attended and the community in which they were brought up? Does she also agree that improved employment opportunities and increased prosperity have helped to cement the peace process?

Angela E. Smith: My hon. Friend will not be surprised to hear that I entirely agree. If we are to build a cohesive society where people move forward together, it must be done on the basis of economic competence. The Government have ensured that there are jobs and that people are back in work. That cuts across the whole community.

Jeff Ennis: I recently visited Londonderry and Belfast and there is no doubt that regeneration is moving apace in the big cities in Northern Ireland and creating many jobs, but what are the Government doing to promote employment measures in the more rural parts of the Province?

Angela E. Smith: Through Invest Northern Ireland and other programmes, we must ensure that the whole of Northern Ireland shares the benefits of increased economic prosperity. I can give my hon. Friend an assurance that the interests of rural areas are very much at the forefront of our mind.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [4190] **Mr. Ronnie Campbell** (Blyth Valley) (Lab): If he will list his official engagements for Wednesday 15 June.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the house, I shall have further such meetings later today.

Mr. Campbell: The Northumberland air ambulance service has three aircraft, two of which are grounded at present because of lack of funds. Will the Prime Minister use his office, or his Ministers, to get those aircraft, which do a wonderful job saving lives, back into service?

The Prime Minister: I agree with my hon. Friend. The Great North air ambulance service does an excellent job and I know that two helicopters were added to the service last year. It is obviously for the national health service trust to decide how it spends its money and it has decided not to spend its money in that particular way. I understand that talks are going on aimed at trying to secure some long-term funding. In the meantime, I think

I am right in saying that some cover is being provided by an air ambulance based in Durham, but I very much hope that a long-term solution can be put in place that allows the service to continue to the benefit of my hon. Friend's constituents and others.

Mr. Michael Howard (Folkestone and Hythe) (Con): When Europe's leaders meet tomorrow, they will have a clear choice on the way forward for the constitution: they can declare it dead or they can seek to extend the period for ratification. Which will the Prime Minister be urging them to do?

The Prime Minister: As I said yesterday, the sensible thing in the light of the no votes in France and Holland is to have a pause for reflection and to consider the right way forward for Europe, because the constitution obviously cannot proceed until a way is found round those France and Holland votes, or we decide to proceed in a different way. That is a decision that has to be made collectively. What is important to realise is that, as a result of the way in which we have approached it, there is a clear understanding in Europe that there needs to be a far more fundamental debate about the future of Europe. Fortunately, as Britain has a Government who are not Eurosceptic but who believe in Britain at the centre of Europe, we are in the right position to play a good part in that debate.

Mr. Howard: Why should a way round the votes of the people of France and the Netherlands be found? Is not it the case that the people of France and the Netherlands have clearly expressed their view? Is not it pretty obvious that the constitution is dead? Why will not the Prime Minister face facts and admit it?

The Prime Minister: The fact is that, as we have said, there is no point in proceeding with our referendum until the situation changes. If it does not change, the right hon. and learned Gentleman is quite right that the constitution cannot proceed, but that has to be a decision taken by the whole of Europe. At this moment, the important thing is for us to sit down and think, in Europe, about how we make sure that Europe is more relevant to the concerns of people in the early 21st century. As I said, this country, in its presidency, is well placed to lead that debate.

Mr. Howard: I agree with the Prime Minister that we should use this as a great opportunity to think hard about the future of the European Union. There is indeed a growing consensus that we need to rethink the entire basis of the European Union. Should not that mean that the European Union should do less and do it better, and that it should start returning powers to its member states?

The Prime Minister: This is where I fear the right hon. and learned Gentleman and the Conservative party want to lead us—to a renegotiation not of the constitution, but of the existing terms of Britain's membership; in other words, exit from the European Union as it is. Let me remind him that

"43 out of every £100 pounds we earn abroad comes from the Common Market. Over 2 million jobs depend on our trade with Europe, 2 million jobs which will be put at risk by Britain's withdrawal. And even if we kept two thirds of our trade with the Common Market after we flounced out—and that is pretty optimistic—there would be a million more to join the dole queues".

Those are not my words: they are the words of Margaret Thatcher at the Tory party conference in 1981. Could there be any better sign of just how far the Tory party has moved?

Mr. Howard: Margaret Thatcher was saying that she did not want to leave the European Union. I do not want to leave the European Union, and nor does the Dutch Foreign Minister, but he said recently that Europe should start returning powers to its member states. I agree with that. Does the Prime Minister?

The Prime Minister: That is precisely why subsidiarity is a major part of the new constitution. But that is not the right hon. and learned Gentleman's position. His position is to renegotiate the existing terms of Britain's membership. Let me quote something else to him, from someone now back in the House as the Member of Parliament for Kensington and Chelsea and a Conservative leadership contender, although it is true that that does not put him in a very exclusive group. None the less he said:

"There are those calling for the Tory Party to demand the renegotiation of Britain's membership of the European Union; a call which is little more than a euphemism for us to quit Europe."

Does the Leader of the Opposition accept that if he wants to renegotiate the existing terms of Britain's membership, he has to get the agreement of every other member state in Europe, and not a single one of them is prepared to agree it?

Mr. Howard: The Dutch Foreign Minister says that the Prime Minister is keen to talk about everyone else's views. I want to remind him about his views. He is the man who, in order to get into the House, told voters that he wanted to get out of Europe. He is the man who signed away our opt-out from the social chapter and now complains about EU red tape. He is the man who said we did not need a constitution at all, then he said we had to have it, and now he cannot make up his mind one way or the other. He is the man who said a referendum would be a gross betrayal of the British national interest, and then promised we would have one. He has wriggled on Europe like a worm on a fish hook. It is not time he talked straight to the British people and gave it straight to the leaders in Europe tomorrow?

The Prime Minister: First, it is true that we agree that Britain should be part of the social chapter. I am proud of that decision. I think it was the right decision. What is more, I remind the right hon. and learned Gentleman that when he was opposing Britain's membership of the social chapter, he used to say that it would cost Britain a million jobs. We have joined the social chapter and we have 2 million more jobs in this country. Our approach—being willing to fight for Britain's interests, but from a pro-European position—is the right one for the country, and that is the approach we will continue to adopt.

Q2. [4191] **Clive Efford** (Eltham) (Lab): While I welcome everything the Government are doing to increase the supply of affordable homes, I draw my right hon. Friend's

attention to the shortage of affordable rented accommodation, particularly in London. My surgery every week is full of young families who are forced to live with parents because they cannot find affordable homes, and even with the assistance that the Government are planning to provide, they cannot afford to buy. Does my right hon. Friend agree that we need to do more to increase the supply of rented accommodation at affordable rates so that those families can have hope for the future?

The Prime Minister: I agree entirely with my hon. Friend about the urgent need for more affordable homes for people. He will know that we are investing about £1.5 billion—a 50 per cent. increase—and ensuring that we can provide affordable homes. The difficulty is that it seems that we need a mix of social housing and low-cost private housing. The proposals made by the Deputy Prime Minister will enable us to increase not merely social housing but low-cost private housing, and we need both if we are to make a real impact on the housing problems of London and the south-east.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Returning to the European issue, obviously, and given the exchanges that have just taken place, it would be only fair minded of me to pay tribute to the right hon. and learned Gentleman, the leader of the Conservative party, for the principled stand he took over the endorsement of the Maastricht treaty. We remember that in this House and therefore wonder what we have been listening to today.

Given the rejection of the treaty in the referendums in France and Holland, surely we have to accept that this constitutional treaty is no longer viable. That being the case, does the Prime Minister agree that what we need is not just his pause for reflection but a formal moratorium on significant treaty revisions, so that the European Union can demonstrate to the citizens of Europe that under its existing responsibilities it can carry out the tasks that it needs to carry out?

The Prime Minister: The future of the constitution in the end can be pronounced on only by the European Council as a whole, which is why we have been careful in the words that we have chosen—I think for very sensible reasons. Immediately after the referendum results, there were people calling for us simply to proceed regardless. Some reality has now dawned, and that is not going to happen. The way that we approached the matter was the right way, not trying to usurp a decision that has to be taken by the European Council.

In respect of treaty revision, the most important thing is to have a serious debate over the next few months about the right economic and security policies for Europe in the early 21st century. I hope that we can play a part during our presidencies in those debates. At some point, though, there will be a need to change the mechanisms whereby Europe makes its decisions, because those mechanisms are not in my judgment capable of delivering effective European decision making, given that we have 25 members, which will increase to 27 and then further.

Mr. Kennedy: Does the Prime Minister accept—I am sure that he does—that the key challenge is to bring Europe closer to its citizens, but that a number of significant reforms can be begun here and now without significant treaty revision? For example, will he over the next few days be arguing the case for the opening up of the deliberations of the Council of Ministers, so that instead of meeting behind closed doors to make European law, we can see the discussions, in exactly the same way that we do in this House? In terms of this House and its procedures, has he given consideration to the all-party recommendations of the Modernisation Committee about scrutiny here of European conduct, so that we have better accountability from our Ministers when they go to the Council?

The Prime Minister: We certainly support better scrutiny of European proposals here in this House. I know that my right hon. Friend the Leader of the House will bring forward some proposals on that in due course. In respect of the Council meetings, we are broadly sympathetic on that point, as we got that proposal included in the constitution.

To be absolutely blunt, although opening up the deliberations of the Council to public view would obviously be a democratic step forward, it would not in the end answer the real questions in Europe. One can see clearly with the referendum results that there is a debate going in Europe about two things. The first is the right response to globalisation and the rise of countries such as China and India, which have low labour cost production and will compete on a very tough basis with Europe and the rest of the world. We need to decide on the attitude towards globalisation. We are in favour of a free and liberal approach. We believe that we should welcome the competition and invest in skills and education in order to meet it. Others believe that we should try to protect ourselves through regulation. I do not think that that is the right way to go.

The second debate is about the transatlantic alliance: is our main alliance still with America? If we start to answer those debates and forge a consensus on the political direction of Europe, some of the other issues will become easier to manage. Until we do that, Europe will be uncertain of its political direction and people will find it difficult to vote for constitutional treaties and other things that are important for the political class in Europe but that do not necessarily answer the people's queries.

Q3. [4192] **Miss Anne Begg** (Aberdeen, South) (Lab): Thanks to the assistance of local Labour politicians in Aberdeen and despite criticism from local Liberal Democrats, the people of Beach boulevard in Aberdeen have been able to sleep at night for the past three months because of the implementation of a dispersal order against the boy racers, or as they are known locally, "bouley bashers", who have made residents' lives a misery for years. What advice does my right hon. Friend have for communities elsewhere in the UK in which people's lives are still being blighted by antisocial behaviour? Dispersal orders and other powers available to the police in antisocial behaviour legislation are sometimes blocked by those who did not support the power's introduction in the first place, such as the Liberal Democrats.

The Prime Minister: Like my hon. Friend, I strongly support antisocial behaviour legislation. Where the legislation has been implemented properly, the powers

are being used effectively to tackle antisocial behaviour. I urge communities to look at the available powers and make sure that the police, local authorities and local residents are using them properly. I hope that we have moved on—I do not know whether we have—and that the Liberal Democrat party, both here and in Scotland, will support antisocial behaviour orders and other parts of the legislation. The idea that those powers are an affront to civil liberties is patently absurd, because they protect the civil liberties of the decent, law-abiding majority.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The Prime Minister has been against Europe and then for it. He has been for the pound and then against it. He has been against a referendum and then for it. And although he has been against negotiating on our rebate, I discovered at the weekend that he is for it, although to be fair to him he is both for and against it right now.

Mr. Denis MacShane (Rotherham) (Lab): This is good.

Mr. Duncan Smith: Surely that is not advice from the hon. Gentleman.

The Prime Minister has taken more positions than the "Kama Sutra" Does he now regret not killing off the European constitution at the time of the Dutch referendum and not giving a lead on the future direction of Europe at this summit rather than ceding the initiative to the Chancellor of Germany and the President of France, who have debated our rebate in a ludicrous way, which has left him more isolated than ever we might have been?

The Prime Minister: First, may I say what a superb question that was? I am devastated by it. If I can put it gently, our approach to Europe is better than the right hon. Gentleman's. It was not for us to tell the Dutch people to vote against the constitution, which includes a sensible set of rules for the way forward. As I have said, the main thing is to have a political debate about the future of Europe, and I look forward to the right hon. Gentleman's participation, in whatever position he finds acceptable.

Q4. [4193] **Chris Bryant** (Rhondda) (Lab): Nearly 40 per cent. of people on incapacity benefit are on it because they have mental health problems. The Government have done a great deal in recent years to try to improve mental health services across the country, but there is still a chronic shortage of psychotherapy, counselling and cognitive behaviour therapy treatment. All too often, people who are trying to deal with stress, anxiety and depression end up popping pills or committing suicide. What are the Government going to do to make sure that we have the right range of mental health services across the whole country so that we can get more people off benefits and into work? A good, fulfilling job is probably the best way towards sound mental health.

The Prime Minister: I certainly hope so. I know that my hon. Friend had an Adjournment debate on this subject this morning, and I entirely agree with what he says. The Department of Health is working on proposals for extending the range of treatments offered under the NHS to people with mental health problems, focusing particularly on greater availability of the so-called cognitive behavioural therapies. My hon. Friend is also right in saying that those are as cost-effective as many drug regimes and are actually often more popular with patients.

There is shortly to be a Green Paper on incapacity benefit reform. However, I totally agree that many people with mental health problems, particularly if they are not so severe as to disable them completely, would be much better off if they were helped back into some type of work rather than being on incapacity benefit, where often their lives are not fulfilled in the way that my hon. Friend rightly says they should be.

Q5. [4194] **Ann Winterton** (Congleton) (Con): The constitutional treaty may be considered by some to be dead in the water, but further European defence integration goes ahead unchecked, according to the chairman of the relevant Committee in the European Parliament, who said:

"Voters cannot so easily put the brakes on destiny."

Is it any wonder that the British public are so sceptical about the European Union when the engine of European integration forges ahead without brakes and with no reverse gear, in spite of the democratic decision of the French and Dutch people clearly expressed in recent referendums?

The Prime Minister: I am afraid that I just totally disagree with that. It is worth pointing out that the trouble with Conservative Members is that they want to use the current situation in Europe as a way of making their age-old case to get Britain out of Europe, which is the worst possible response. *[Interruption.]* I am afraid that it is true. That is why they want to renegotiate existing treaty obligations, and why they want to withdraw co-operation in areas such as defence, which is intergovernmental and which we do precisely because we think that it is in this country's interests—as it is—to have a sensible form of defence co-operation with other European Union countries. It used to be a matter of common consent on both sides of this House that we should co-operate on defence matters. Such defence co-operation was actually, I think, in the Maastricht treaty. It is only today's Conservative party that has moved so far from the mainstream that the Conservatives see every item of co-operation as somehow an insult to the interests of Britain—it is not.

Q6. [4195] **Colin Burgon** (Elmet) (Lab): I should like to ask the Prime Minister how best we can encourage a sensible debate about our future energy supplies—a debate that is not dominated by the powerful nuclear lobby and that recognises that coal, with investment in clean-burn technology, has a key role to play in meeting our energy needs. Finally, does he agree—I am sure that he would—that only public ownership of what is left of our deep mine coal industry can guarantee its future in the years ahead?

The Prime Minister: I am afraid that I cannot quite follow my hon. Friend down that last path.

In respect of the clean-burn technique and ensuring that we use fossil fuels in a more environmentally sustainable and beneficial way, I do agree with him. That is why we are putting millions of pounds into research, as indeed is the United States, into developing cleaner coal technologies. That is extremely important.

In respect of nuclear power, there are, as I have said before, no current proposals to build new nuclear power stations, though, as we said in the energy White Paper, we cannot rule out the possibility of doing so at some point in the future. What is needed now is to accept, particularly after the papers signed by the academy of science in all the G8 countries, that there is now little doubt that climate change and global warming are major issues for us to confront and deal with, and this type of clean coal energy policy will be a vital part of the future.

Mr. Alex Salmond (Banff and Buchan) (SNP): Is it true, as has been reported, that 80p out of every pound of individual donations to the Labour party has come from people who have either been honoured or ennobled by the Government? Given that the Prime Minister is a pretty regular sort of guy, can he offer an explanation, bar the obvious one?

The Prime Minister: I do not know the precise proportions but the only reason why people know how much money is given to political parties, including the hon. Gentleman's, is that we published the names of donors for the first time. We have therefore introduced, for the first time, proper open transparency about who gives what to political parties.

Q7. [4196] **Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): I welcome the Prime Minister's positive endeavour to tackle poverty in the world. Will he add one more item to the agenda for his leadership of the G8 and presidency of the EU? Will he lead the call for a worldwide ban on asbestos? There are good reasons for doing that. The manufacturing focus has shifted to the developing world and the disease, disability and deaths that will be caused by exposure will add to poverty and continue adding to poverty unless we can bring in a ban that is similar to that which has been introduced throughout the industrialised world.

The Prime Minister: I entirely agree with my hon. Friend. We all recognise that asbestos can have serious effects on people's health and he is right that we should aim to achieve a global ban. We are working towards that through the United Nations environment programme. At the risk of unduly and unnecessarily provoking Conservative Members, I say the EU has already introduced a ban on the use of asbestos in the Union.

John Hemming (Birmingham, Yardley) (LD): Does the Prime Minister share my concern and that of a vicar in my constituency and many of his parishioners who are irritated by the nuisance of mechanical phone calls, whereby a computer phones them but nobody is at the end of the line? Will he put pressure on Ofcom to use current legislation to ensure that the practice ceases, and review the legislation?

The Prime Minister: I am not sure whether the vicar's powers or mine are most suitable for dealing with that issue. I agree with the hon. Gentleman's comments although I cannot honestly tell him what I think the answer is because I do not know. However, I shall find out and get back to him.

Q8. [4197] **Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): Bonjour. What steps does the Prime Minister propose to take to measure the results that his Ministers achieve on a regular basis? Will he consider introducing a "Minister of the month" award? Will he accept from me a nomination for the Minister for Europe, who has achieved so much in such a short time? I had not fully appreciated that putting Britain at the centre of Europe meant renegotiating the common agricultural policy, renegotiating the European budget and picking a row with France. He has my complete support.

The Prime Minister: Merci beaucoup.

Q9. [4198] **Mr. Philip Hollobone** (Kettering) (Con): In Northamptonshire, police numbers are 15 per cent. below strength. The chief constable has stated that he needs at least 200 additional officers and the Labour chairman of the police authority said that funding for the force has been inadequate for a number of years. Will the Prime Minister agree to meet a cross-party delegation from the county, including Members of Parliament, so that the scale of the problem can be made clear and steps taken to sort it out?

The Prime Minister: I understand the concerns that the hon. Gentleman raises—I have heard them many times from people in his constituency and elsewhere. We are increasing considerably the amount of police funding. I point out that we have increased it in real terms by far more than, for example, the previous Conservative Government. We will continue to consider how we manage to get a fair and equitable distribution of resources across the police forces and we will always be willing to discuss the matter with the hon. Gentleman and others. However, I must stress that we have more police officers in this country today than ever and that we are also supplementing them with community support officers. Overall, we have the greatest number of police and community support officers that we have ever had.

Q10. [4199] **Mr. David Chaytor** (Bury, North) (Lab): President Bush would appear to believe that 4 per cent. of the world's population continuing to produce 25 per cent. of the world's carbon dioxide emissions is sustainable. In contrast, Governor Arnold Schwarzenegger of California said just a few days ago that the debate on climate change is over:

"We know the science, we see the threat, and the time for action is now."

Is my right hon. Friend confident that he can persuade President Bush that Governor Schwarzenegger is right?

The Prime Minister: Well, I will do my best to persuade the G8 of the importance of tackling the issue of climate change. What is necessary is to ensure that we get a process in which the United States is involved, and then, not just the major, modern developed countries but countries such as China and India, which, over the years to come, will be major consumers of energy. I agree entirely with my hon. Friend that that is a fundamental challenge, and I hope that this year, at the G8 summit, we can set the issue on a different and better course for the future.

Q11. [4200] **Gregory Barker** (Bexhill and Battle) (Con): In 2001, the Labour party manifesto pledged to cut truancy in our schools. What has happened in the intervening years, and who is responsible for the gross failure of our children?

The Prime Minister: It is true that truancy has not been cut, but it is also true that, as a result of the massive investment in education in our country, we have the best results for 11-year-olds, the best GCSE results and the best A-level results that this country has ever had. Under the previous Conservative Government, funding per pupil was cut. Under this Government, it has risen. Yes, a lot remains to be done on truancy and other issues, but the education system in this country is going places and getting better as a result of a Labour Government who believe in education, not a Tory Government who used to cut it.

Welsh Governance

12.32 pm

The Secretary of State for Wales (Mr. Peter Hain): With permission, Mr. Speaker, I should like to make a statement on the publication today of the White Paper, "Better Governance for Wales".

Devolution has proved to be a success, both for Wales and the rest of the United Kingdom. By establishing the National Assembly for Wales in 1999, following the endorsement of a referendum, the Government have moved the decision-making process closer to the people.

Six years on, the benefits can be clearly seen: record levels of employment, rising standards in education, and groundbreaking initiatives such as the Children's Commissioner, free bus travel for the over-60s and disabled, and Assembly learning grants. With equal numbers of male and female Members, and pioneering commitments to open government, sustainable development and equal opportunities, the Assembly has been a progressive institution attracting interest from around the world.

After the experience of six years of devolution and two full sets of elections, it is now appropriate to review and improve the working of the Assembly, not to make change for change's sake but to ensure that it continues to meet people's needs in Wales and remains accessible and accountable to them.

The White Paper therefore covers three key issues, which the Government believe need to be tackled to deliver better governance for Wales. It addresses the response of the National Assembly to the report of the commission on its powers and electoral arrangements, chaired by Lord Richard of Ammanford, and the commitments made in the Labour party's general election manifesto.

First, the White Paper contains the Government's proposals for legislation to effect a formal separation between the Assembly and the Welsh Assembly Government. The lack of a clear separation between the Assembly itself and Assembly Ministers and the civil servants working for them has generated confusion about who is responsible for decisions. Under the corporate structure, Ministers are in the contradictory position of sitting as members of subject Committees meant to scrutinise their decisions.

Secondly, the Government propose to give the Assembly, gradually over a number of years, enhanced legislative powers in defined policy areas where it already has executive functions.

As a first step, the Government have decided, from now onwards, to draft parliamentary Bills in a way that gives the Assembly wider and more permissive powers to determine the detail of how the provisions should be implemented in Wales. That will not require any change to the Government of Wales Act 1998, but it will require a more consistent approach to drafting legislation for Wales.

As a second step, we propose to put in place a streamlined procedure enabling Parliament to give the Assembly powers to modify legislation or to make new provision on specific matters or defined areas of policy within, and only within, the fields in which the Assembly currently exercises functions.

Orders in Council conferring those powers would be made at the request of the Assembly Government, and would be laid by the Secretary of State and be subject to specific authorisation by both Houses of Parliament through the affirmative resolution procedures. That means that more legislation will be made in Wales and that the Assembly Government will be able to secure more effectively and more quickly the legislative tools they need to get on with the job of building a world-class Wales with a globally competitive economy and high-quality public services.

Those enhanced legislative powers are adaptations of the current settlement and do not require a referendum. However, it may prove in the future that even those additional powers and streamlined procedures are still insufficient to address the Assembly's needs.

The Government have therefore agreed to provide the option of further enhanced law-making powers. This would mean transferring primary legislative powers over all devolved fields direct to the Assembly. But, as a fundamental change to the Welsh devolution settlement, that option would require the support of the electorate through a post-legislative referendum, triggered by, first, a two-thirds majority of Assembly Members, and secondly, a vote in Parliament. The Government envisage no particular timetable for this, as it would be dependent on a consensus, which certainly does not exist at present.

The history of Welsh devolution referendums is salutary. The big No vote in 1979 showed the dangers of conducting a referendum before sufficient consensus had emerged, and the Government remain conscious of the narrow majority in 1997, when it appeared that there was indeed such a consensus.

I note that the Richard commission itself saw the acquisition of primary powers as a process that would take a number of years to achieve, and not before 2011. My view is that the new Assembly arrangements should be allowed to bed down through the next Assembly term—between 2007 and 2011—and that there is no case for considering a referendum until at least the following Assembly term of office.

The people of Wales will wish to be convinced of the reasons for going beyond the new enhanced law-making powers before being invited to vote in a referendum. We therefore need some years' experience of the new system before we can make a proper assessment of when that might occur.

Finally, we propose to deal with a weakness in the existing additional-Member electoral system for the Assembly. There is widespread concern that the current operation of the regional list system in Wales is damaging the vital relationship between Members and their constituents, and indeed causing unnecessary tensions between Members themselves.

Losing candidates in constituency elections being able to become Assembly Members through the regional list, and thus claim to act as a Member for that very same constituency, both devalues the integrity of the electoral system in the eyes of the public and acts as a disincentive to voting in constituency elections. We therefore propose to amend the provisions of the 1998 Act to prevent individuals from simultaneously being candidates in constituency elections and eligible for election from party lists. Candidates will have to make a choice.

[Mr. Peter Hain]

I believe that the proposals in the White Paper provide a practical, common-sense road map to sensible, staged improvement of the existing arrangements. One of the key reasons why the transition to devolved government in Wales has been smooth is that we have moved at a pace determined by the people of Wales.

The White Paper reflects that guiding principle. It will provide a reformed structure that is more accountable, more participatory and more effective, giving more powers to the Assembly and leading to better governance for a better Wales. I commend it to the House.

Bill Wiggin (Leominster) (Con): May I thank the Secretary of State for advance sight of the statement, although I regret that I did not have quite as much time to read it as the BBC, which was quoting him at 6.43 this morning? Given that he is a former Leader of the House, I was surprised by that, but I do not wish to be discourteous.

The Secretary of State referred to the three key areas in the White Paper in which changes are proposed. We welcome the proposal to separate the legislature and the Executive and to improve effective scrutiny, but the bulk of his statement dealt with the enhancing of legislative powers and changes to the electoral system, about which we have profound concerns. Why did he say that there is no consensus for a referendum today, and that it would be lost? Why has he made it clear that the White Paper proposes moves that would lead to full legislative powers for the Assembly? Why is he not interested in the views of the Welsh people after six years of Assembly government?

It would seem that the Secretary of State has recognised the need for the referendum, but why is he determined to put the cart before the horse? Why has he proposed to empower the Assembly in areas such as health and education? Is he pleased with their record? Is he pleased that waiting lists have increased by 80 per cent. under Labour, and that 61 schools have closed since 1997? Is he pleased that Wales will not have tuition fees? It seems odd that he has chosen to enhance powers in the areas that are failing the people of Wales the most. Is that because the White Paper is really intended to empower Labour in Wales, rather than the people of Wales?

How does the Secretary of State square all this with condensing consideration of a Bill and all its stages into a one and a half hour debate? What does he expect will be the impact on the role of Welsh MPs? What opportunities will there be for them to amend an Order in Council, or to comment on Welsh legislation? Does he therefore propose to address the size of Welsh constituencies, as a result of their inability to determine Welsh legislation, or would that not be in the interests of the Welsh Labour party? Welsh MPs are elected by the people. Has the Secretary of State learnt from his friend the Chancellor of the Exchequer to go for stealth empowerment of the Welsh Assembly? If so, why has he increased the number of Wales Office staff in London?

I now turn to probably the most spiteful part of these proposals—the changes in the electoral system. How many Labour Assembly Members will be standing as first-past-the-post candidates, considering that all of them stood as such candidates, and as list candidates, at the last election? Why did he not see the anomalies when he fought for this system in the first place? Will list Members be able to stand as first-past-the-post Members in other constituencies? Does he not agree that his comments on the Assembly electoral system are equally applicable to any proportional representation system?

The Secretary of State said that he has moved at a rate determined by the people of Wales, but the reality is that he has not asked them about this issue because he knows that they will regret this stealthy empowerment, spun as further powers semi-skimmed. In fact, this is simply a way of avoiding a referendum. Why has he rejected the increase in Assembly Members advised by the Richard commission? He has given the impression of providing semi-skimmed legislative powers, but this White Paper is the full-fat proposal, stuffed with E numbers and leading to all the attendant health repercussions. I can understand why he said what he said. This is the man who called the EU referendum a tidying-up exercise, so the whole House will understand why he is afraid of referendums.

Mr. Hain: That was a spiffing performance, if I may say so. The hon. Gentleman asks about a referendum, but he wants to abolish the Assembly altogether. The Tory leader in the Assembly wants it to have more legislative powers, so he will presumably back the White Paper. Moreover, the Leader of the Opposition is apparently unable to make up his mind—he does not know what to say about this issue. I can tell the hon. Gentleman, since he asked, that we will call a referendum only if there is a consensus for one. There is no consensus for one now, and it would be lost. There is no case for holding a referendum until at least into the next decade—if a consensus exists then. I can tell the hon. Gentleman that a multi-option preferendum, which is the policy of the Tory party, may be the best way of sorting out the party leadership contest, but is not the best way of determining the future governance of Wales.

The hon. Gentleman asked what was the difference between an Order in Council and a Bill. I should have thought that, as an experienced parliamentarian who has served in at least one Parliament, he would understand that. The Order in Council will of course be able to be subject to scrutiny in advance. There is a period during which it can be laid before both Houses of Parliament. The Assembly will bid for a particular policy or modification of legislation, and will have to specify in great detail what its legislative modifying effect might be. The House will then have an opportunity to vote under the normal affirmative resolution procedure. I think that this is a much more streamlined procedure, which will be better for the House of Commons with its crowded legislative programme, and better for the Assembly as well.

The hon. Gentleman asked whether there were any proposals to change the number of Welsh Members of Parliament. The answer is no, and I will explain why. The settlement that I propose is very different from that which operates in Scotland, where tax-varying powers exist and there is control over policing and criminal

justice, and a number of other matters. That does not apply to the policy in the White Paper, which is confined to the existing settlement—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Leominster (Bill Wiggin) must not put questions at the Dispatch Box and then continue to interrupt the Secretary of State. That is not on.

Mr. Hain: The hon. Gentleman described the list proposals to prevent candidates from standing in both the list and the constituency categories as spiteful. Let me quote to him evidence submitted to the Richard commission by the Electoral Reform Society. The society said:

"A system in which candidates can lose elections but nevertheless win seats undermines respect for the electoral process."

It went on:

"No less than 17 out of the 20 AMs"

—Assembly Members—

"elected from lists were candidates who lost constituency contests. In Clwyd West there were 5 constituency candidates, but 3 of the 4 who were defeated ended up as AMs".

It said:

"There is also concern that list members can 'cherry pick' issues, deciding to focus their activities on those issues most likely to raise their profile or create problems for their constituency opponents . . . list members have concentrated their energies in constituencies in their regions where there are future prospects of winning constituency seats."

That is the reason—and I remind the hon. Gentleman that the leader of the Liberal Democrats in the Assembly secured only 14 per cent. of the vote when he stood in Torfaen, but was elected through the list anyway. That is not a defensible system.

I do not favour more Assembly Members. Nor, indeed, does the First Minister. However, I will listen carefully to any proposals that may be presented. May I take the hon. Gentleman's question to mean that he wants more politicians in the Assembly?

Mr. Paul Murphy (Torfaen) (Lab): During the general election the people of Wales, I believe, indicated to us that they were more concerned about the delivery of good-quality public services than about endless talk of constitutional change. I think that the White Paper addresses that, and contains sound, balanced and sensible proposals that allow the people of Wales, through their elected representatives here in Westminster and in Cardiff, to work together to bring about those good-quality services.

Mr. Hain: I am grateful for my right hon. Friend's support for the White Paper. He played a distinguished role in Cabinet in helping me to shape it into something that is at the centre of gravity of public opinion in Wales.

I agree with my right hon. Friend—indeed, I probably echo his experience—that during the general election campaign not one voter raised the issue of the Assembly's powers with me. On the only occasion on which it was raised, it was raised by journalists. That indicates the priorities of the chattering classes in Wales. Nevertheless, the case has been made for the sensible staged reforms that we propose.

Lembit Öpik (Montgomeryshire) (LD): I thank the Secretary of State for giving me early sight of the White Paper. I am pleased that, following its publication, we can have a serious and informed debate about the extent of the Assembly's powers months in advance. May I also say that we greatly support the statutory division of responsibilities between Welsh Assembly Ministers and the National Assembly for Wales? Does the Secretary of State agree that that is both sensible and overdue because it makes it easier to hold the Welsh Assembly Government to account, instead of always blaming the Assembly as a whole for errors of government? We know, for example, that student fees are supported only by Labour and opposed by the rest of the Assembly. Does the right hon. Gentleman agree that it is important for the public to see that sort of transparency?

Will the Secretary of State clarify the timetable? He said that no significant changes that would require a referendum were likely before 2011, but it was not clear whether he really meant 2011 or 2015 as the earliest time at which a referendum could be held. In either case, why is he so reluctant to accept the recommendation of the Richard commission that such a referendum could happen sooner?

The issue of the triggers for the referendum—a two-thirds majority from the Welsh Assembly and, I assume, a majority from both Houses of Parliament—is also worrying. Why is the Secretary of State placing so many barriers between where we are now and where we should be in the future, particularly when the Scottish Parliament secured all the powers that it sought on the basis of a single referendum? Does he not see that by placing so many barriers between now and the future, it looks as though he is trying to make significant reform impossible? Given that he has not discussed the case for tax-varying powers anywhere in the White Paper, why does he believe that we require a referendum in any case?

On the issue of the splitting of constituency and list candidatures, can he not see that it looks to other parties as if he is seeking to arrange matters in a way that favours his own party and potentially disadvantages others? What business is it of the Secretary of State for Wales to impose restrictions that mean that other parties—and, indeed, his own—cannot choose the people that they want to stand for both the list and the constituency candidatures? Given his transformation on the road to Damascus on the issue of democracy, does he agree with the rest of the country that securing 36 per cent. of the poll certainly does not give his party the authorisation to govern the country as a whole? Can he give me an assurance that he will look further into the wider issue of electoral reform across the country?

On the veto, the Secretary of State seems to have included, under paragraph 3.16, the power to block aspects of devolution that he does not like. Does that not amount to centralised control by the back door? If I have misunderstood the implications, will he clarify precisely what he means to achieve through paragraph 3.16? Will he also ensure that consultation will take place not only across Wales, but across the border, as neighbouring constituencies in England will also be significantly affected?

Finally, does the Secretary of State accept that those who are genuinely in favour of the Welsh Assembly having significantly greater powers regard the White Paper, far from giving a green light to devolution, as

[Lembit Öpik]

something of a white flag to the devolution sceptics? It seems to me that the Liberal Democrats, the official parliamentary opposition in Wales, will have to build new alliances with individuals from all parties and from none who want to give the Welsh Assembly the powers that it needs to provide Wales with the services that it deserves.

Mr. Hain: I can encourage the hon. Gentleman in this at least—that my Back-Bench colleagues are absolutely delighted to see him vaulting over the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) to become the leader of the opposition in Wales. I am rather puzzled by his question on the referendum, however, because the leader of the Liberal Democrat group in the Assembly believes that there should be a referendum immediately, whereas the hon. Gentleman told the Welsh Grand Committee that he did not believe in a referendum at all. So what is the Liberal Democrat policy on holding a referendum on primary powers? I think that we should be told.

The hon. Gentleman asked about the timetable. I have made it clear that I see no case at all even for visiting the question of whether a consensus exists on the referendum before 2011 because the new arrangements will take time to bed down. The whole structure of the Assembly will be reformed and I am grateful that the hon. Gentleman welcomed the abolition of its present corporate status, which is confusing and denies accountability. The Assembly will acquire enhanced powers and a new method of streamlined bidding for legislation from the House, so it will have to assume greater responsibilities. As I said, all that will take time to bed down. I see no case whatever for any movement ahead of the Richard commission timetable of 2011 and we shall have to see what happens after that.

I would say to the hon. Gentleman that it is very dangerous in the current mood and context, in which Governments—all Governments—find it difficult to win referendums on whatever issue, to overplay commitments to holding referendums. We could do worse than reflect on the referendum in the north-east of England. We were told, and many of us faithfully believed, that there was support for such a referendum. I also remind the hon. Gentleman of the all too painful experience of many of us, including himself, in 1997. Before the 1997 referendum—only a couple of days before—I recall that the opinion polls showed, as they had consistently throughout the campaign, that the yes vote was about 2:1 ahead. What happened on the day? It was a narrow, hair's-breadth victory for the yes side. In 1979, there had been a 4:1 defeat for the idea of having an assembly. We must therefore be very careful on this matter of referendums.

It is not a question of me imposing obstacles in the way of further referendums. It is right that we in Westminster are aware of a clear two-thirds majority in the Assembly in favour of having primary powers—if or whenever that might be in the next decade—but we should also recognise that Parliament has the final say. After all, Parliament is the sovereign body of the United Kingdom. It is not a question of imposing barriers, but of finding a sensible way forward.

As to stopping candidates from standing in both electoral categories, I realise that the hon. Gentleman has a problem because many Assembly Members were elected on a list basis. I do not mind electing people on that basis. However, the Electoral Reform Society—an independent body, though stuffed full of Liberal Democrats, I might add—argued that it was unfair and questioned the integrity of that system.

Paragraph 3.16 deals with order-making powers, but it is not a question of allowing Parliament a veto. Presently, the Assembly makes a bid to the Secretary of State for certain legislation and Parliament has the deciding voice in establishing what goes into the legislative programme. It is clear in the paragraph that Parliament will retain the deciding voice in establishing whether a bid should proceed. A clear and convincing case will be well received in Parliament, so I hope that the hon. Gentleman will support the White Paper.

Julie Morgan (Cardiff, North) (Lab): I welcome the White Paper and believe that anyone in favour of further powers for the Welsh Assembly should support it. I want more primary legislative powers for the Assembly, but I also believe that the Secretary of State is right to be cautious about a referendum, which can so easily be hijacked by other issues.

I also support the changes to the candidate arrangements. In both Assembly elections in Cardiff, North, the Conservative candidate was defeated by the Labour candidate, but subsequently got in through the list system. There has been considerable confusion among members of the public in Cardiff, North, who cannot understand why someone who was defeated should be allowed to enter the Assembly. It will be interesting to see—

Mr. Speaker: Order. I always dislike interrupting the hon. Lady, but she is telling us what she likes rather than asking a question. Strictly speaking, she is allowed only one supplementary question, so the Secretary of State should now reply to what she has said.

Mr. Hain: I thank my hon. Friend for her support. I shall deal specifically with the important point that she made about the list system. Particularly in the light of the beneficiaries of this hybrid system, it has been a matter of controversy. In Cardiff, Central, a candidate was elected on the basis of just 8.7 per cent. of the vote. In Caerphilly, a Conservative candidate was elected on just 10.1 per cent. of the vote; and in Clwyd, West, a Liberal Democrat was elected on a mere 7.9 per cent. That is simply indefensible. Candidates should stand in one category or the other, not both.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I thank the Secretary of State for his courtesy in sending me an early copy of the White Paper. It states in paragraph 1.26 that there is no consensus in respect of full legislative powers. Is he aware that a recent BBC poll showed that 64 per cent. of the people of Wales were in favour of full legislative powers for the Welsh Assembly? How will he determine when consensus has been reached and on what criteria will he base his judgment? Will he confirm that all requests for legislation from the Welsh Assembly will be subject to veto by this House and the other place?

As a democrat, is the right hon. Gentleman comfortable with the notion that the referendum trigger could be negatived by the unelected other place? Has he considered what will happen if an Administration takes over in Cardiff that is of a different colour from the one here?

Mr. Hain: That is very unlikely, given the Labour party's massive popularity in Wales and in Britain as a whole. The hon. Gentleman asked about my statement that no consensus exists in respect of full legislative powers. Like him, I am a practising politician in Wales. Many of his Plaid Cymru colleagues are demanding a referendum this year, but he cannot argue seriously that that can be won without the support of Labour. As I said earlier, the Labour party in Wales, Plaid Cymru and the Liberal Democrats all supported a yes vote in 1997, when only the Conservative party really opposed that. Even so, there was only a hair's breadth margin of victory. It is for all parties to determine, on a cross-party basis, whether a consensus on this matter exists and we must make that judgment as the process unfolds.

The hon. Gentleman asked about the BBC poll showing that 64 per cent. of people in Wales favoured primary powers for the Welsh Assembly. I remember what the polls said only days before the vote of September 1997. They reported a majority of almost exactly two to one in favour of the proposal. I advise him not to believe polls: he should trust the people when it comes to how they are likely to vote and make a serious judgment on that basis. We trust the people, and that is why we are putting these proposals forward and setting up a post-legislative referendum. If a consensus existed, that referendum would trigger primary powers for the Welsh Assembly.

On the House having a veto on requests made by the Assembly, I remind the hon. Gentleman that the House already has that power. Parliament can refuse to take forward or pass a Bill requested by the Assembly under the present arrangements.

Adam Price (Carmarthen, East and Dinefwr) (PC): That is the problem.

Mr. Hain: The hon. Gentleman says that that is the problem, but he wants to take Wales out of the UK. That is Plaid Cymru's problem. He does not like the fact that we are proud to belong to a united United Kingdom. That is where Wales belongs. The experience of devolution over the past eight years has lanced the boil of nationalism and independence and consigned it to the dustbin of history. That is why Plaid Cymru lost votes at the general election.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) asked whether the House of Lords could negative a decision. From time to time, it has negatived all sorts of decisions arrived at by this Labour Government. That is one reason why it needs to be reformed. However, it would be very unwise of the House of Lords to override the House of Commons in respect of the legislation that will follow this White Paper, and to seek to deny what the people of Wales have asked for. I do not think that the problem is likely to arise but, if it did, the Parliament Acts could come into effect.

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): I welcome my right hon. Friend's statement, particularly his proposals on the regional list system. Has he spoken to the Secretary of State for Scotland about these matters? I certainly hope that, where he leads, the Scottish Secretary will follow.

Mr. Hain: My right hon. Friend the Secretary of State for Scotland enthusiastically supports this White Paper, as do all other members of the Cabinet. I have enjoyed very constructive discussions with him.

Mr. Roger Williams (Brecon and Radnorshire) (LD): When will we have a Secretary of State for Wales with enough backbone to stand up for Wales and its people, so that we can be a fully fledged nation within the UK? When will the right hon. Gentleman stop hiding behind woolly compromises and referendums as protection against his Back Benchers? Should he not be bold and support in full the recommendations of the Richard commission, like so many people in Wales?

Mr. Hain: It is quite fun to have a woolly Liberal asking me woolly questions—

Lembit Öpik: The right hon. Gentleman used to be one.

Mr. Hain: I rejected all that woolliness, and that is why I came to the Labour party, where all true radicals should be.

From his question, I assume that the hon. Member for Brecon and Radnorshire (Mr. Williams) is of the same mind as the hon. Member for Montgomeryshire (Lembit Öpik), the leader of the Welsh opposition, and that he opposes a referendum on primary powers for the Welsh Assembly.

Mr. Roger Williams *indicated assent.*

Mr. Hain: The hon. Gentleman is nodding, which means that another Liberal Democrat Member opposes the principle behind a referendum. He just wants to railroad Wales into assuming primary powers, even when he knows that no consensus exists and that it goes against the policies of the leader of the Liberal Democrats in the Welsh Assembly.

Mr. Wayne David (Caerphilly) (Lab): My right hon. Friend will agree that an electoral system that allows a candidate to lose yet nevertheless win is morally wrong and politically bankrupt. Does he also agree that changing the system will enhance no end the status of the Welsh Assembly in the eyes of the people of Wales?

Mr. Hain: I strongly agree with my hon. Friend, who always speaks common sense.

Mr. David Jones (Clwyd, West) (Con): I spent long enough in the Welsh Assembly to feel entitled to express an opinion on this matter. The Secretary of State's catalogue of success does not include the fact that patients in my part of Wales have to wait five times as long for orthopaedic surgery as patients in England, even though they pay exactly same rates of tax and national insurance contributions.

[Mr. David Jones]

Why will the Secretary of State not give the people of Wales a referendum on what he admits is a major constitutional change? He is proposing to give enhanced legislative status to the Welsh Assembly, so why will he not put that to the Welsh people in a further referendum?

Mr. Hain: I welcome the hon. Gentleman to the House and hope that he can represent his constituents at least half as well as his distinguished predecessor, Gareth Thomas.

The enhanced order-making powers proposed in the White Paper are within the existing devolution settlement. They require primary legislation that we will introduce later this year or early next, with a view to gaining Royal Assent in 2006 in time for the 2007 elections. The new powers would therefore come into effect at the start of a new Assembly term. They do not require a referendum, but a move to primary powers for the Assembly would. That is a radical departure from the policy endorsed in the 1997 referendum.

Mr. Jones *indicated dissent.*

Mr. Hain: The hon. Gentleman shakes his head. I am surprised that he and the Liberal Democrats appear to deny what is an elementary fact.

Chris Bryant (Rhondda) (Lab): I broadly welcome the plans announced today, although I am nervous about one element, which exposes a flaw in the legislative system here. Going through the Order-in-Council process means that we will have no way to amend proposals. That is important, because that means that the proposals will go through the House in a unicameral way.

The proposals emanating from the Welsh Assembly will be debated for one and a half hours in this House, and again in the House of Lords for the same amount of time, but there will be no opportunity for us to amend them. Will the Secretary of State talk to his successor as Leader of the House to determine whether there is any way to allow time for a longer debate, with some capacity to amend? I realise that the House's Standing Orders would have to be changed, but the improvement that I propose would be significant.

Mr. Hain: I can reassure my hon. Friend that there will be a period for pre-scrutiny before the Order in Council is laid. It is not for me, as Secretary of State for Wales, to decide the appropriate form of scrutiny. I envisage that as a matter for the House to decide, when hon. Members will have the opportunity that he seeks. They will be able to test the arguments, determine whether there is any case for amendment and then discuss the matter with the Welsh Assembly. In any case, my hon. Friend the Under-Secretary of State for Wales will confirm that the present practice is that Welsh Assembly bids in respect of legislation or of clauses in an existing Bill are discussed by the Secretary of State, his ministerial team and the Assembly. There is no question that we accept everything that is asked of us. All requests are tested, and both Houses will have the opportunity to do that. I think that that meets the point raised by my hon. Friend.

Mr. Paul Keetch (Hereford) (LD): Will the Secretary of State put on record today his understanding that communities on the English side of the Welsh border can be profoundly affected by decisions of the Welsh Assembly on the provision of services, including in respect of rail, flooding and health? Given that, understandably, those communities do not have a direct voice on the Welsh Assembly, will he listen to the concerns of English Members of Parliament wishing to represent our constituencies on decisions taken by the Welsh Government that have profound effects in our constituencies?

Mr. Hain: Of course I will, as will my hon. Friend the Under-Secretary. I share with the hon. Gentleman the fact that I am a Member of this Parliament, the sovereign body of the United Kingdom. We will take up any issues that he seeks to present to us.

Mr. Alan Williams (Swansea, West) (Lab): I welcome the step back from primary legislation. Does my right hon. Friend agree that, had we gone in that direction, it would have led to an inevitable demand—as it did in Scotland—for a reduction in the number of Welsh MPs? Whatever increase in power may be given to the Assembly, it could not compensate for the loss of power here in Whitehall.

Mr. Hain: I agree with my right hon. Friend, who makes his point well. I am grateful for his support for the White Paper. It is important that the people of Wales continue to have strong representation in the House of Commons, because it is vital for their interests. If this proposal is carried through—even if a referendum triggers primary powers at some future point—there would be no case for reducing the number of Members of Parliament for precisely the reasons that I have explained.

David T.C. Davies (Monmouth) (Con): Does the Secretary of State agree that the changes that he proposes to the electoral system—a system that he fully understood when he suggested it in the first place—amount to nothing less than a flagrant attempt at gerrymandering to make it harder for Opposition parties to get elected? It is the Mugabe-isation of Welsh politics and, given his background, he should know better. Given the fact that the Welsh Assembly has been a monumental failure that has led to higher health waiting lists, school closures and council taxes going through the roof as the result of the misuse of money by local authorities, it has never been more important for us to have a strong opposition to what Labour is doing in the Assembly.

Mr. Hain: I was going to welcome the hon. Gentleman to the Commons, but after that little rant I am not sure that I should. However, I am pleased to do so. I just do not agree with him. It is interesting to see Conservative Members wriggling on this issue when their candidates are defeated by the electorate but are

then parachuted into the Assembly. I do welcome the official name that the hon. Gentleman has adopted—T.C. is Top Cat. As the ditty goes:

"Top Cat, the indisputable leader of the gang . . .

Yes, he's the chief, he's the king.

But above everything,

He's the most tip-top, top cat."

He has my vote in a bid for the leadership of the Tory party.

Ian Lucas (Wrexham) (Lab): I welcome the measured approach taken by the Government in the proposals and I am convinced that my constituents also want a measured approach. We have already heard of the importance of the effect of decisions of the Assembly on England, and of course there is a closely integrated system in operation. My right hon. Friend will be aware that I have long championed the cause of Back Bench joint committees of Assembly Members and Members of Parliament. Will they continue to have what I consider an important role: ensuring that the views of parliamentarians continue to be taken into account when policy is formulated?

Mr. Hain: I welcome my hon. Friend's support for the White Paper. I know that it is a source of great frustration to Welsh journalists that there is such unity across the Labour party and, indeed, the people of Wales on these proposals. As my hon. Friend knows, during the pre-legislative scrutiny of Welsh Bills, our Select Committee has the opportunity to meet jointly with the relevant Assembly Committee and to take evidence. That is positive. We will have to consider carefully whether joint committees beyond that system would be a good idea, because it is important that the processes of the House are not reformed without a clear idea of our direction.

Jenny Willott (Cardiff, Central) (LD): How does the Secretary of State plan to consult as broadly as possible across Wales on the proposals? By consulting as many people as possible, he might get a better idea of current support for giving the Assembly greater powers, because there is some dispute about that in the House.

Mr. Hain: I welcome the hon. Lady to the House. The White Paper is published today and the closing date for consultation is 16 September. Anybody in Wales can get hold of a copy and make their views known and, of course, we will take account of that. However, we have a general election manifesto commitment behind the White Paper and the Bill that will follow in due course. Therefore, we have a mandate from the people to follow that policy, including—despite the bleats from the Conservatives—ending the ability of candidates to stand in both categories. We intend to take our Bill forward, but I must ask her why she is afraid of a referendum on primary powers. That does not seem to me to be a very Liberal Democrat policy.

Mrs. Eleanor Laing (Epping Forest) (Con): Will the Secretary of State confirm his answer to the hon. Member for Lanark and Hamilton, East (Mr. Hood)? Does the Secretary of State for Scotland really agree with the proposals that the Secretary of State for Wales has made today? Is he aware that what he has said today on behalf of the Government could have severe implications for voting systems in Scotland?

Mr. Hain: I do not accept that. I can confirm that my right hon. Friend the Secretary of State for Scotland is behind these proposals, which are for Wales, not Scotland. The present electoral arrangements in Scotland are different from those in Wales and so are the powers and, in fact, the whole devolution settlement. Therefore, what we do in Wales does not prejudge anything that might come from the independent commission—which my right hon. Friend set up—that is considering electoral arrangements in Scotland. The point about devolution is that things can be done differently in the different nations of the UK. That has already happened in the past six years and can continue to happen in the future. I am sure that it will.

Angus Robertson (Moray) (SNP): Does the Secretary of State accept the similarity between Scotland and Wales in that both have candidates who stand for both a constituency and the list? They include the Labour Minister for Education and Young People, Peter Peacock, who was soundly beaten into third place in the SNP-held seat of Moray but elected through the list. The Secretary of State describes that as indefensible in Wales, but is that also the case in Scotland? If the Secretary of State for Scotland agrees with him, what are the plans for Scotland?

Mr. Hain: We know what the hon. Gentleman's plans for Scotland are—he would give independence to Scotland. Is he saying that Scotland should follow exactly what Wales does? If so, it is a new policy for the SNP—and a very interesting one.

Point of Order

1.19 pm

David T.C. Davies (Monmouth) (Con): On a point of order, Mr. Speaker. I seek your guidance on the right of Back Benchers to scrutinise the Administration thoroughly. You will be aware that regulations are being discussed in Europe that would prevent anyone from working more than 48 hours a week. However, I know that most Members of Parliament—certainly on this side of the House—work more than that. I tabled questions to the Secretary of State for Northern Ireland and the Prime Minister to ask how many hours they worked and I received replies of monumental irrelevance. Do you agree that we have a right to know how many hours Ministers are working, given the forthcoming regulations?

Mr. Speaker: I thank the hon. Gentleman for his point of order, but a European debate is of course coming before the House and there is nothing to stop him seeking to catch my eye—although I make no guarantees.

European Affairs

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coaker.]*

1.20 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): My right hon. Friend the Prime Minister and I will represent the United Kingdom at the European Council in Brussels tomorrow and on Friday. We will fortunately be joined there by my right hon. Friend the Minister for Europe, who earlier received such a ringing endorsement in the House. Today the House has its customary opportunity to debate the Government's priorities. I shall deal first with the agenda of the European Council itself and secondly with the wider question of the European Union's future direction and priorities that has been raised by the referendums in France and the Netherlands. The two main items on the European Council's agenda are future financing—that is the EU's revenue-raising mechanism and its budget—and the constitutional treaty and the related issue of enlargement. Let me take those in turn.

The Council will discuss the EU's finances from 2007 to 2013. The European Commission first tabled proposals in July last year and the issue was subsequently discussed at the European Council last December and other meetings of EU Ministers. I attended the latest round of such talks with other EU Foreign Ministers in Luxembourg on Sunday.

The United Kingdom wants an EU budget that is better geared to meeting the challenges of this century, which means one that has a responsible level of spending and allocates money more fairly, effectively and efficiently, with a focus on helping the poorest nations and supporting good-quality research and innovation. The European Commission had proposed setting the EU's budget between 2007 and 2013 at 1.26 per cent. of European gross national income, or GNI, which would have represented a real-terms spending increase of 35 per cent., or €260 billion. Along with Germany, France, Sweden, the Netherlands and Austria, we have made it clear that such an increase is completely unacceptable and that the EU's objectives can be fully achieved within a budget that represents no more than 1 per cent. of the gross national income of its member states. As I have explained, not least to fellow Foreign Ministers, the difference between 1.26 per cent. and 1 per cent. sounds small, but as the denominator is huge, the difference is more than €200 billion, which is more than the gross national income of Poland, which is a medium-sized member state.

Angus Robertson (Moray) (SNP): Two days ago the Scottish Executive produced a paper in which they said that if the UK position were to succeed, Scotland would receive no European structural fund support, so £710 million would be lost to the Scottish economy between 2007 and 2013. Can the Foreign Secretary confirm that the UK Government's position would lead to such a loss?

Mr. Straw: I cannot confirm those figures. I have not seen the paper, but I will address the hon. Gentleman's concern in a moment.

Our clear statement of the need for budget discipline has shifted the centre of gravity of the debate. The result of that pressure was a shift from the European Commission's original 1.26 per cent. proposal to a 1.09 per cent. proposal from the Luxembourg presidency, which is less than half the Commission's proposed increase. Although that represents a significant advance, it is still not good enough.

On the spending allocations themselves, there are two key areas of concern. First is the structural and cohesion funds, which are the EU's support for the poorest regions. As the proposals now stand, the member states of the old EU-15 would get almost as much from the structural and cohesion funds as the 10 new members, plus Romania and Bulgaria, which are, on average, far poorer. As well as being unfair, that is wasteful because much of the funding represents simply recycling money between richer member states that could more efficiently pursue their own national programmes of regional aid. The structural and cohesion funds should thus be focused on the EU's poorest member states, with others doing more to finance their own regional policies. If our proposals for reform are adopted in full, the British Government have given a commitment to domestic funding for the United Kingdom's nations and regions to ensure that they do not lose out as a result.

The second question of expenditure concerns the common agricultural policy, which still accounts for far too high a proportion of the EU's expenditure. About one euro in 12 of the whole EU budget is spent on French farmers alone. As a whole, expenditure on the CAP represents more than 40 per cent. of the total EU budget, which is odd as it goes to just 5 per cent. of the population. Only further reform of European agricultural support will begin to address those imbalances.

Mr. Graham Brady (Altrincham and Sale, West) (Con): If the Foreign Secretary is saying that the UK will replace the regional funding currently paid from the EU with money coming directly from the British Government, is that not effectively the same as increasing the EU budget? Would we not be paying for something for which the money previously came back from the EU?

Mr. Straw: I am sorry for the hon. Gentleman, but he needs to understand the fundamental difference between money that we choose to spend ourselves, which is approved by the House, and money allocated centrally by the European Union. One proposal on the table to which we can certainly give some support is the nationalisation of part of CAP spending. In other words, individual member states would be given greater responsibility for financing their spending on agriculture. That would not amount to fundamental reform, but it would be a step in the right direction.

Lembit Öpik (Montgomeryshire) (LD): I am interested by the Foreign Secretary's assurance that the Government would ensure that nations and regions would get compensatory investment to replace the European money that they stand to lose. What would be the benchmark with which the Government would judge whether the same amount would be given? For example, would that be objective 1 funding in 1999 or 2003? I ask because it is crucial, especially for rural and deprived areas in Britain, to know what we will need to compare that investment with.

Mr. Straw: I understand the hon. Gentleman's concern. My area has benefited from European Union funding, so I confess that I am not without a constituency interest in the matter. I cannot answer his question because we do not know the denominator about which we are talking. We do not know how the overall budget will come out, or what the balance of spending for the structural and cohesion funds will be. However, I have put my statement on record.

Rev. Ian Paisley (North Antrim) (DUP): The Foreign Secretary will no doubt be aware that an announcement was recently made to farmers that the CAP had been secured after a mid-term review. Is he suggesting that the process will be reopened and that the farmers will not know their future, bearing it in mind that agriculture is the mainstay of our economy in Northern Ireland?

Mr. Straw: Of course I appreciate that agriculture is one of the mainstays of the economy of Northern Ireland. I was actually present at the October 2002 European Council. The decisions about the mid-term review for the current financial perspective did not set in concrete the CAP for the next financial perspective, as is made clear in the text. The conclusions on direct payments begin with the words:

"Without prejudice to future decisions on the CAP and the financing of the EU after 2006".

The European Council set a ceiling for total annual expenditure for market-related expenditure and direct payments under category 1.A, but did not set a floor. It is thus entirely consistent with what was agreed in October 2002—and with common sense—for us to push for further reform of the CAP, if we can achieve it.

Sir Menzies Campbell (North-East Fife) (LD): The House will welcome the last passage of the Foreign Secretary's speech, in particular the justification that appears to exist for those issues to be reopened. Irrespective of the level at which the budget is finally set, does he agree that a far higher amount of fiscal control is vital and that much more must be done to eliminate waste, inefficiency and corruption?

Mr. Straw: I entirely agree. In the rather quaintly named Foreign Ministers conclave on Sunday and three weeks ago, there was a lot of smoke and mirrors, but we were not locked in and there was no conclusion. In both discussions, I made the point to my Foreign Minister colleagues that our proposals for 1 per cent. GNI were in no sense inconsistent with the European Union being more effective—in other words, seeming to do more for its citizens. It is unacceptable for the European Commission to propose, as it did in its 1.26 per cent. budget proposals, a real-terms 5 per cent. increase in administration costs when we all know from our experience—this is a cross-party issue—that we get greater efficiency and better delivery if we turn the screw on costs. It is amazing what can be achieved. That is why

[Mr. Straw]

we have proposed a similar approach for the Commission budget as for domestic administration budgets. Our budgets are going down by 5 per cent.

Mr. Owen Paterson (North Shropshire) (Con) *rose—*

Mr. David Curry (Skipton and Ripon) (Con) *rose—*

Mr. Straw: I shall give way to the right hon. Member for Skipton and Ripon (Mr. Curry) later. *[Interruption.]* It is always about the subject under discussion, but I have given way half a dozen times and need to make progress. If I do not, there will be complaints that I have taken up other hon. Members' time. [HON. MEMBERS: "No."] Yes, there will be.

As one of the European Union's richer nations, the United Kingdom makes a net contribution to the EU budget, helping to support poorer member states, particularly new members in central and eastern Europe. The rebate that the UK receives on that contribution corrects for the fact that we are the lowest net recipient per capita of any member state, in part because of the small size and the efficiency of our agricultural sector. Without the rebate, our contribution would be out of all proportion to the UK's relative prosperity and economic weight within the European Union. Without the rebate, from 1995 to 2003 we would have paid 15 times more than France and 12 times more than Italy. Even with the rebate, we have still paid two and a half times as much.

When the UK's rebate was agreed at Fontainebleau in 1984, the European Council stated in its conclusions:

"expenditure policy is ultimately the essential means of resolving the question of budgetary imbalances".

In other words, the only way to resolve the current inequity in contributions between the EU's members is not through moving the UK's rebate—nor would we accept that—but, instead, through a fundamental review of EU expenditure. Until and unless such a rebalancing of spending takes place, the UK's rebate remains fully justified and we will, if necessary, use our veto to protect it.

Mr. Curry: On agriculture, the right hon. Gentleman knows that we have embarked on a lengthy transition from one form of support to another that will last for several years until 2010 or 2012. Other member states are doing the same. Is he suggesting that that transition will continue to its term or will be interrupted by a new mechanism of support halfway through, or is he merely talking about cutting the cost of it? If the Government have a new model of support in mind and precise reform proposals, will he put them in the Library so that we can see them?

Mr. Straw: What we want to do immediately is to get fundamental reform of the common agricultural policy back on the agenda. I appreciate that the right hon. Gentleman and many other hon. Members on both sides of the House have farmers in their constituencies. Although Blackburn may appear to be an entirely urban area, the constituency contains dairy and hill farmers. Half the area is agricultural land, not urban land. Notwithstanding those interests and the concern of the agricultural community, under the Commission's proposals the CAP, which takes up 40 per cent. of total EU spending, will be €1,000 billion a year, but it assists only 5 per cent. of Europe's populations and distorts that assistance towards the better-off countries. Everyone knows that that cannot go on. Nor can the situation continue in which we spend at least €2 a day for every cow in the EU.

We have to deal with those issues sensibly. We want reform of the CAP back on the agenda. As I explained to the leader of the Democratic Unionist party, the hon. Member for North Antrim (Rev. Ian Paisley), that is in no sense inconsistent with what was agreed in Brussels in October 2002.

Mr. John Maples (Stratford-on-Avon) (Con): The Foreign Secretary links the rebate precisely to reform of the CAP. I understand why, because one gives rise to the need for the other. However, it might be difficult to get that reform, and there are other things that we want from the EU, such as implementation of the services directive, genuine completion of the single market and external tariff reform—perhaps even their elimination. If we could get some or all of those things in place, which would hugely benefit the British economy, would it be worth negotiating on the rebate in that context?

Mr. Straw: No, it would not. Those are not alternatives. People who want reform in one sector also want reform elsewhere. Those who want a socially responsible but liberal market economy want all those things. On the whole—this is not an exclusive point—they also want greater efficiency in the way in which the EU spends its money. People in the other camp want to keep hold of existing, rather dirigiste, structures. They do not want the services directive and are dragging their feet on implementation of the Lisbon agenda. Such a trade-off is not available.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Is the Minister being too modest? If he aspires to be a future Minister of the month, should he not be more ambitious in tying reform of the CAP to reform of the budget? Given that the CAP is a racket and increases welfare dependency among farmers, should we not be looking for a much greater cut in its budget—far greater than would be contained within a 1 per cent. ceiling of the EU budget? Surely it is unwise to accept at this stage that we are prepared to pay 1 per cent. because if we get drastic cuts, as we should, in the CAP, the budget will decrease at a much greater rate.

Mr. Straw: I am probably much more modest than my hon. Friend—

Mr. Davidson: There is more to be modest about.

Mr. Straw: That is almost certainly true. I think that my right hon. Friend the Minister for Europe, who has done an outstanding job and will continue to do so, will clean up on the Minister of the month competition each month, at least for the rest of this Parliament.

We have to live in the world as it is, with the available possibilities. That part of the agenda set out by my hon. Friend the Member for Glasgow, South-West (Mr. Davidson)—his transitional demand, to use language

with which he will be familiar from his past—is probably not achievable. Of course, it was always the case with transitional demands that those who made them were never satisfied in the rare event of them being delivered.

I want to make progress on the other issue: the EU constitutional treaty. In my statement to the House on 6 June, I set out the Government's position on the treaty. As I said then, the forthcoming European Council will be the first opportunity for EU Heads of Government collectively to discuss the treaty since the no votes in the French and Dutch referendums. The Council needs to hear from the French and Dutch Governments about the reasons for the referendum results, and how they see the future of their ratification processes.

Obviously, I cannot anticipate the conclusions of the Council, but in the meetings of EU Foreign Ministers that I attended earlier this week, there was emerging consensus that at least decisions on whether to proceed with ratification should be left to individual member states. There is also growing recognition of the need for—to use the now well-worn phrase—a period of reflection. As I told the House on 6 June, Britain's position is that currently it would not be sensible to proceed with Second Reading of the Bill providing for our ratification of the treaty by referendum, given the current uncertainty over its future following the referendums in France and the Netherlands. We will, however—to use another phrase of some antiquity—keep the situation under review.

A direct and important issue raised by the no votes is whether the extension of the enlargement process to Bulgaria, Romania, Croatia and Turkey, and then to other parts of the western Balkans, will continue. Due to the sentiments in countries that voted no, there have been suggestions that there are questions about the enlargement process. We need to be clear about that. First, the EU's commitments on enlargement are categorical and were made under existing treaties, not the new constitutional treaty. Secondly, although, in our judgment, the process of enlargement would have been assisted by the constitutional treaty, it is taking place under the existing acquis, the EU's current rules and treaties, and not those of the constitutional treaty. We shall be pursuing those commitments, as the EU presidency, from next month. Lastly, when Foreign Ministers discussed the matter, the general sentiment in the room, which I hope will be translated into formal conclusions on Thursday and Friday, was that the European Council should recall the December European Council conclusions and underline the need to implement in full the commitments in respect of enlargement for Turkey, Bulgaria and Romania and the other countries involved.

Malcolm Bruce (Gordon) (LD): How does the Foreign Secretary view the decision by the French authorities that after Romania and Bulgaria no further enlargement can take place without a referendum of the French people? How does that sit with the position that he has just explained?

Mr. Straw: There are two points involved. The first is when the European Union as a whole signs off the process of accession by Romania and Bulgaria. That has to be done by treaties that must be signed and ratified by each member state. It is for each member state to make its judgments about how ratification should proceed. I am pleased that in the House—as I often explain to my Foreign Minister colleagues—although one or two issues relating to the EU are contentious, there has always been a bipartisan, all-party approach to enlargement. We have never had demands—I hope that we do not—for enlargement treaties to be subject to referendum. It is for France to decide whether it has a referendum just as it was a matter for us to decide that.

Keith Vaz (Leicester, East) (Lab): Does my right hon. Friend recall that in fact Conservative Front Benchers tried to block the last enlargement by calling for a referendum on the Nice treaty? It would be good to hear their continued commitment to the enlargement of the EU.

Mr. Straw: My hon. Friend has made a helpful point and I thank him for it. The Conservative party, too, needs a period of reflection—*[Interruption.]* It needs a period of even longer reflection on its approach to the EU and I hope that wiser counsel will prevail.

Apart from the obvious decisions of the referendums in France and the Netherlands to say no to the constitutional treaty, the ballots raised wider issues about how the European Union can be made more relevant to people's lives. It was striking that in both France and the Netherlands, exit polls showed that a majority of older voters had supported the constitutional treaty, while younger voters in the main were opposed. That suggests that those who lived through the destruction caused on the continent by the second world war were more acutely aware than younger generations of how much the European Union had done to cement peace and stability.

In the UK, the situation is reversed: polls show that younger people tend to be more favourable towards the EU, in part perhaps a reflection of our relative economic success in recent years and of Europe's contribution to that. Yet the lesson from those two patterns of opinion is the same: if the European Union is to remain relevant to Europe's future generations, it cannot simply rely on the achievements of the past, but must continue to deliver practical benefits in the future. It must show that Europe can adapt and bring results on the issues that most matter to people's lives—jobs, prosperity, crime and personal security. Indeed, the EU has not only to deliver on those issues, but to show that it is delivering; to build a closer dialogue with Europe's citizens and to demonstrate how it is relevant to their lives.

Those challenges do not exist in a vacuum: we face them in the context of rapid change in the world outside Europe's borders. On current trends, people in the United States will be 50 per cent. richer than those in the EU by 2025. China's industrial production is growing at 17 per cent. a year, and its share of our imports increased tenfold between 1985 and 2003. India is producing 250,000 science and IT graduates every year, and is competing with European economies not just at the lower end of the market but in every sector, including cutting-edge industries such as software and biotechnology.

[Mr. Straw]

To maintain prosperity and social justice in a more competitive and fast-changing world, the EU has to adapt. A European economy in which 19 million people are unemployed is not by any standards delivering a social Europe, so we need to look at how diverse social models, from Scandinavia to Spain to the UK, have delivered growth and social justice in Europe, and discuss how we can sustain and build on those successes in this new context.

We have to do much more to make a reality of the ambitious targets for economic reform, training and employment in the European Union that were set by its leaders at the Lisbon summit in March 2000, which we in the UK, but not many others, have achieved. EU regulation needs to be reviewed to ensure that it benefits business, and does not harm it. Furthermore, we must strengthen the EU's ability to act globally against threats to our security, while building on its strength as a force for good in international areas such as trade and aid.

The debate on the EU's future direction also needs to consider how the organisation itself operates. One of the issues discussed in the House when I made my statement nine days ago was how we could ensure that the Commission and the Council, if they so wished, could move ahead with proposals in a protocol to the draft constitutional treaty to give national Parliaments a more direct say in draft laws. I believe that should be so, and I hope that the House—it is not a matter for the Government, it is entirely for the House—will make rapid progress on the recommendations of the Modernisation Committee on improving not only the scrutiny of European legislation, but the depth and breadth of debates on issues that arise in the EU.

Mr. Peter Lilley (Hitchin and Harpenden) (Con) *rose—*

Angus Robertson *rose—*

Mr. Straw: I have already given way to the hon. Gentleman, so I give way to the right hon. Member for Hitchin and Harpenden (Mr. Lilley).

Mr. Lilley: The protocol states that the House will appoint one person and the other place will appoint another person to express our views, thereby enabling the House to have some say in European legislation. How would the House appoint one person, reflecting—as the protocol says—the balance of opinions in this place?

Mr. Straw: Although I have the full text with me, I hope that the right hon. Gentleman will excuse me if I do not look up that passage. However, if my recollection is wrong, I will write to him, and the Minister of the month, my right hon. Friend the Minister for Europe, who will wind up the debate, has my full permission to correct me. My recollection is that under the protocol in the draft constitutional treaty, draft laws would be made available to national Parliaments at an early stage. In fact, we already do that but it does not happen in many other national Parliaments. National Parliaments would then take a view on those draft laws. If they decided to disapprove of them, that would be communicated to the Commission, and if a third of the aggregate total of national Parliaments took that view, it would amount to a yellow card. The Commission would take that as a warning, and would have to think again. *[Interruption.]* For those who say, "What about a red card?", we discussed that a great deal in our debate on the detail of the constitutional treaty. The red card is an option for member states to exercise in the European Council under the voting system, which is rather antiquated at present, but would be improved by the constitutional treaty.

Angus Robertson: I support the scrutiny and openness embraced by the Foreign Secretary, but does he agree that a great first step by the House would be for the European Scrutiny Committee to meet in public, not in secret?

Mr. Straw: Whether or not the European Scrutiny Committee meets in public is a matter for it to decide. *[Interruption.]* With great respect, there is a division of powers. It is for Parliament to decide how it meets, not for Government.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Deputy Speaker. The European Scrutiny Committee did not have the opportunity to make that decision, as it was taken away from it.

Mr. Deputy Speaker (Sir Alan Haselhurst): I think that the hon. Gentleman knows that that was not a point of order.

Mr. Straw: It never is, Mr. Deputy Speaker.

In seeking reform within the EU we must recognise the benefits of the Union and the importance of the United Kingdom's engagement within it. When we have engaged, the UK has shaped to our benefit the rules that allow British citizens to travel, work and live freely anywhere in Europe, and to receive welfare benefits, health care and fair legal protection while they are there. We have secured European liberalisation, which has slashed air fares and brought the cost of telephone calls down by half. UK and other European businesses once had to fill in 60 million customs forms a year simply to trade with Europe, with all the attendant bureaucracy and delay. Today, however, they can trade directly to the same standards and rules as local firms in a market of over 450 million consumers. EU police and justice co-operation is bringing drug smugglers, people traffickers and fraudsters to book. Alongside those practical benefits, our position as a leading power in Europe makes the UK stronger and more influential in the world, as we can speak as part of an organisation that accounts for a quarter of world wealth and trade, and more than half of all development aid.

It is obvious to everyone that this European Council marks the start of a difficult period of discussion about the European Union's future direction and priorities, but it also offers the chance for a serious, democratic and vital debate. The United Kingdom has a clear interest in shaping that debate and in leading reform in Europe. Under this Government, we shall play that role to the full.

1.52 pm

Dr. Liam Fox (Woodspring) (Con): It is doubtful whether the individuals who organised the forthcoming summit foresaw that, following the decisive rejection of the proposed constitution by the Dutch and the French, it would become an historic event. After those two referendums, there has been much gnashing of Eurocrat teeth in the past few weeks, including by our new Commissioner, Peter Mandelson, who has set a new record for going native in Brussels. However, even diehards are starting to acknowledge the inevitable and bow to the fact that in a democratic Europe the clearly expressed wishes of voters must be respected and that the constitution is dead.

Others are in denial, pretending that nothing material has happened and that the process of ratification can still continue. The argument is that if people voted yes, they clearly understood the issues surrounding the constitution; but if they voted no, they did not understand the complexities and were voting against Chirac, Turkey, Polish plumbers or anything but the constitution.

We have been treated to a virtuoso performance by the EU political elites, who have shown how out of touch they are with the people whose interests they are supposed to serve. Today, the Foreign Secretary told us that there will not be a collective decision on the future of ratification. What a lack of leadership by European politicians. In the past week, we have been subject to the ritual brandishing of that favourite red herring, the British rebate. If one is in trouble in Euroland, why not indulge in ritual Brit-bashing, which is designed to deflect attention from one's own domestic political disaster and one's catastrophic misjudgment of one's own voters? We have read a huge amount of nonsense—how gullible much of the European media has been.

The real issue in Europe is the collapse of the constitution. There has never been a serious prospect of Britain unilaterally ditching the rebate, and even less chance of France negotiating away its common agricultural policy advantages to reopen the debate. Any British Prime Minister who voluntarily comprised Margaret Thatcher's hard-won veto would be treated with utter contempt by the British people. We know that, they know it, the Prime Minister knows it and President Chirac knows it. We are all knowledgeable, but it does not get us very far.

The summit comes not at a time of crisis for Europe, but at a time of enormous opportunity. French and Dutch voters have done us a great favour, as they have stopped in its tracks a constitution that would have taken Europe in entirely the wrong direction. As I said last week, perhaps the signing of the constitution by the Prime Minister and its other authors was the high-water mark of European integration. We now have a chance to develop a more flexible Europe that is more outward looking, less centralised, less bureaucratic, more trusting of national identity, and which is designed to be the servant, not the master, of its citizens. The House and the country need a realistic and balanced assessment of two key relationships—the relationship between the United Kingdom and the European Union, and the relationship between the European Union and the rest of the world.

We have moved from a century in which much of the world's conflict originated on the European continent to one in which war is unthinkable there. Membership of the European Union has had the effect of encouraging less stable aspirant countries to settle their differences. We have been able to welcome states from eastern Europe. We have also welcomed states, as the Minister for Europe said in a recent speech, with a different political history, such as Spain, Greece and Portugal—which suffered under right-wing tyrannies—into the family of European nations. The progress of the single market, albeit too slow, takes us in the right direction, but there is a terrible malaise in the European Union that cannot be ignored.

Too many European leaders still have a Eurocentric view of the world that is a generation out of date. As the Foreign Secretary noted, while the European Union gazes inwards, China, south Asia and the Americas continue to take an increased share of world markets, eroding opportunities for European prosperity and influence. It is not a coincidence that many more jobs have been created in the United States than in the European Union, or that the United States is still increasing its share of world trade. Social democratic policies on the continent are making Europe ever less competitive in an ever more competitive global economic environment. On a rapidly ageing continent, the omens are not good. As was said in our debate last week, by 2010 the EU's working-age population will begin a long-term decline. Over the next 40 years, the working-age populations of Germany, Italy and Spain will fall by about a third, which will have a major impact on the European economy. The EU's own financial projections are worse than the Foreign Secretary said, as they suggest that economic growth in Europe will be only half that of the United States between now and 2050. Projections show that the EU's share of global GDP will slump from 18 per cent. to just 10 per cent. by 2050, while America's share will rise from 23 per cent. to 26 per cent.

The problems are exacerbated by the willingness of too many European leaders to blame someone else for their country's economic woes. There is no point in French or German politicians blaming external factors for the dreadful performance of their economies. Unless they are willing to have the courage and commitment to introduce the supply-side economic reforms that Britain undertook under the Conservatives in the 1980s, they will consign yet another generation of young Europeans to structural unemployment, which is not an acceptable price for keeping European politicians inside their comfort zone.

Keith Vaz: Is it not right that if we are to fill the vacuum that exists because the constitution has been rejected, Britain and our partners need to move forward on the reform agenda? Some of those reforms were inherent in the constitution. Presumably, the hon. Gentleman would have no objection to EU countries moving forward on some parts of that agenda if it meant that the European Union would become more efficient and more effective.

Dr. Fox: Our party policy has been clear. If other countries want to move forward with plans that involve greater integration, that is fine if that is what they feel is good for them, as long as they do not force the United

[Dr. Fox]

Kingdom to undertake reforms that it does not want to undertake. That concept of a more flexible Europe is central to our thinking.

Angus Robertson: Does the hon. Gentleman accept that some proposals in the constitution are worthy of consideration—for example, the Council of Ministers meeting in public when legislating? Could the spokesman for the Conservative party outline a brief list of aspects of the constitution that his party supports as part of a reform process?

Dr. Fox: A list? I can make it even simpler for the hon. Gentleman, and therefore more likely that he will understand it. We are happy to see powers returning from Brussels to the United Kingdom, but where there is any transfer of power from the United Kingdom to Brussels it should be put to a referendum of the British people. It is perfectly straightforward.

On the economic picture in Europe and the euro, what price is being paid for the speed at which the emblem of the EU's economic ambitions was introduced?

Mr. Straw *rose—*

Dr. Fox: I shall give way in a moment.

The euro was never an economic project; it was always a political project. The euro was designed to be the symbolic economic statement of political union. Such was the undue haste of its political architects that there was insufficient convergence before its introduction. The result has been an ill-fitting straitjacket that has left interest rates too low for some countries in Europe and too high for others. This is a clear vindication of the Conservative party's policy not to join the euro, yet the Government are still intent on abandoning the pound whenever they can. The Prime Minister said the euro is our destiny. Does the Foreign Secretary agree?

Mr. Straw: I want to ask the hon. Gentleman a question relating to European voting systems. Which system does he prefer—the Nice system or the one in the constitutional treaty?

Dr. Fox: We are perfectly happy to see improvements that do not give power away from the United Kingdom. Our objection to the system in the constitution concerns the extension of qualified majority voting into areas that are not currently dealt with by that method. I shall come on to the detail of the constitution in a moment. I am still dealing with the economic issue, on which the Foreign Secretary did not answer my question. The Prime Minister said that membership of the euro was Britain's destiny. Is that still the Government's position?

I asked the Foreign Secretary a simple question relating to the euro and European finance. Does he think that Britain would benefit from membership of the euro? He clearly does not know the answer. The Government's position is still that we would abandon our currency and join what is becoming ever more discredited as an economic project. The stability pact, which was designed to reassure those sceptical about financial discipline, has been a farce. A large country can get away with ignoring it, but a small one cannot. There is one rule for one group and no rule at all for another.

There is no doubt that resentment about the euro was at least one of the factors behind the French rejection of the constitution and was an issue in the Dutch referendum, too. With the death of the constitution, it is clear that there will not be a single political entity. *[Interruption.]* The question that inevitably will be asked is, what is the euro for? The treaty stated that the euro would be the currency of a single European union. The hon. Member for Rhondda (Chris Bryant) might do well to read it. What the euro is for is another question that needs to be considered at the summit.

We come to the EU budget, which the Foreign Secretary dealt with—

Mr. Straw: I know that the hon. Gentleman is familiar with the constitution. May I go back to the simple question that I put to him? It is not about the powers of the European Union—it is a binary question, yes or no, one or the other. Which voting system does he prefer—the Nice voting system or the one in the constitutional treaty?

Dr. Fox: To say that we would be delighted to continue with Nice would be to make a false statement of the party's position, but we did not regard what was in the constitution as an improvement, so we do not want to see the system changed. If we have to stay with the position under the Nice treaty or move to the position under the constitution, the answer is that we do not want to change to the position under the current constitution. That is a straightforward answer to the question. We would prefer to keep the treaty position as it currently is, rather than move to the abandonment of our vetoes under the constitution.

John Bercow (Buckingham) (Con): The subsidiarity and proportionality protocol of the constitutional treaty, though deeply flawed, can be regarded as a modest improvement on the inadequate provisions on the subject in the Nice, Amsterdam and Maastricht treaties. Does my hon. Friend agree that that provision could be implemented without a referendum?

Dr. Fox: Indeed. As I said earlier, the party would accept anything that is designed to increase the United Kingdom's ability to govern its own affairs, but anything that removes powers from the United Kingdom, including the abolition of areas where we currently have a veto, would be unacceptable and would have to be put to a referendum of the British people.

On the EU budget, the debate that we have had today and the debate that has taken place in Europe in recent weeks has been about how much extra we should be paying into the pot, but the real question that we should be asking is whether the pot should be increased at all. We should be aiming for an EU that does fewer things, but does them better. That includes doing them at a lower cost.

In the EU we have an organisation where, for almost a decade, the auditors would not sign off the accounts; where the whistleblowers, not the corrupt, get sacked;

and where waste is endemic. Imagine a company going to its shareholders and asking for more money, when the auditors thought the accounts were indefensible. That is exactly what the Government are asking British taxpayers to do. There must be honest money—sound money—before there is more money, and we need reforms so that ultimately we need less money.

Mr. Paterson: The position is slightly worse than my hon. Friend depicts. Under the treaty there is a new competence, which is

"to draw up a European space policy".

That is in article III-254. Last week, the European Space Council met in Luxembourg, and despite the "No" votes in Holland and France thundered ahead, promising a programme that will cost the benighted European taxpayer 10 billion euros every year from now on, without any treaty basis or legal basis.

Dr. Fox: The treatment of the European taxpayer has always been at the bottom of the agenda for all those involved in the current project. What I found interesting about the Foreign Secretary's answer to my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) was the difference that seems to be emerging between the two sides of the House. We have said we think the European budget should be less, but that we should perhaps be spending money on some of the projects domestically. The Foreign Secretary said we would be spending more money domestically and increasing the size of the European budget. That means more cost to British taxpayers.

My hon. Friend the Member for Stratford-on-Avon (Mr. Maples) raised a good point. What can be done to improve the economic picture in the European Union? The big economies must undertake the sort of structural reform that we undertook in the 1980s. That is essential. It is not possible to maintain economies based on the current European social model and compete in a more competitive global economy at the same time. The burden of excessive regulation must be swept away. We need a genuinely competitive single market completed and more powers operated at a national level, in line with the true principle of subsidiarity. My hon. Friend said that the success of a single market in goods, capital and labour must be extended to the service sector if European businesses are to compete effectively. That should be done with minimum regulation.

The hon. Member for Glasgow, South-West (Mr. Davidson) is right. We need a complete overhaul of the common agricultural policy. The CAP roughly doubles our food prices, is unfair to developing countries, and is absurd and discredited. We need the removal of all the external EU tariffs and the reaffirmation that we are not responsible for one another's pension liabilities. These are essential protections for our taxpayers.

Mr. Davidson: Will the hon. Gentleman clarify Tory support for cutting the CAP? By how much does he anticipate cutting financial support for Britain's farmers?

Dr. Fox: It is not Britain's farmers who need their financial support cutting; it is the absurd level of support for French farmers that needs to be reduced if we are to get control of the CAP.

We can build on the success of the accession countries, both economically and politically. As I said in our debate last week, about 5,000 UK companies now export to central Europe, attracted by the low costs of that area. Our trade with those countries is growing 10 times as fast as our trade with the rest of the world. Politically, many of those countries share the view of a Europe in which the nation state is as valued a concept as it is here in the United Kingdom. As *The Economist* put it:

"whereas the traditional builders of Europe were suspicious of nationalism and keen to build up supranational institutions at the expense of the nation state, many of the Central Europeans are still joyfully reasserting their own national identities after decades of Soviet domination."

What of the constitution itself? We have made our objections clear—not just what we do not want in principle, but the detailed elements that we find unacceptable. We do not want the EU to be given the trappings of statehood: a President, a Foreign Minister, a diplomatic service and the ability to sign treaties in its own right. Those are not the tidying-up exercises that the Government pretended they were, but are steps on the road to creating a state of Europe. We do not want the EU to be given greater responsibility for the foreign and defence policies of all member states. The constitution would allow the EU to define the collective strategic interests of member states and to create an EU Foreign Minister to formulate and implement Union foreign policy and to represent the Union diplomatically. It would require member states to

"coordinate their action in international organizations",

to integrate and harmonise member states' defence capabilities and to provide for concerted action in the case of conflict. That represents a profound change for Britain and for Europe.

Mr. Curry: Does my hon. Friend accept that the rules of the CAP apply to farmers across the European Union, subject to whatever national discretion is allowed to Governments? In fact, the Governments of different parts of the United Kingdom are applying them rather differently in present circumstances. Therefore, we can take action to reduce support for farmers and we can take action to increase support for farmers, but we cannot take action to reduce support for French farmers.

Dr. Fox: What we can do is ensure that we are not discriminating against efficient farmers. The UK has an extraordinarily efficient farming sector. The problem with so much of the CAP is that it is formulated in a way that helps inefficient farming. We need substantial reforms of the CAP because, as the Foreign Secretary said, a vast amount of money is going to a very small number of recipients. That cannot in any sense be just.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Will the hon. Gentleman give way?

Dr. Fox: I will not give way for the moment. [HON. MEMBERS: "Give way."] I will give way later.

No one would disagree with the proposition that an EU of 25 needs different working arrangements to an EU of six, but as bland as institutional change sounds, it is far from simply greater efficiency. What is being

[Dr. Fox]

proposed in the constitution represents the transfer of yet more powers from the people of Britain to the people of Brussels, with the giving up of up to 63 vetoes, reform of QMV and the removal of the veto on criminal justice, which is greatly different to what we have at present. I believe that that would require the specific consent of the British people were the proposal to go ahead.

The legal systems of member countries vary widely. They represent deep, culturally different attitudes about the relationship between citizen and state. Beyond the international crimes legitimately discussed in the constitution, the broad notion of so-called "judicial co-operation" challenges each member state's unique approach to criminal law. The idea of creating a European prosecutor who would be able to investigate and try certain types of cases does not seem objectionable at first glance, but when it comes to the definition—

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Straw: Give way.

Dr. Fox: I will give way when I decide, not when the Foreign Secretary decides. I understand why he does not like us discussing the details of the constitution, but when it comes to the extension of criminal law, it is of profound importance to this country and to the House.

The constitution talks, at a level of generality, about

"crimes affecting the interests of the Union."

That is virtually all crime. It is a massive extension of European power into how we run our country. I shall now give way.

Mr. MacNeil: Will the hon. Gentleman please define for me an efficient and an inefficient farmer?

Dr. Fox: It is reasonably widely accepted that farmers in the United Kingdom are far more efficient in what they produce and in their manpower than those in countries such as France. I do not want to get any further into views on the efficiency of French farmers, but we could probably establish a reasonable consensus across the House on the fact that British farmers are a good deal more efficient than most of our European partners tend to be.

I come to one of the most controversial elements of the constitution—the proposed charter on fundamental rights.

Chris Bryant (Rhondda) (Lab): The hon. Gentleman said that the constitution was dead.

Dr. Fox: The hon. Gentleman thought that I said that, but the whole point of what the Foreign Secretary said today was that neither the British Government nor the collective European leadership have the courage to declare the constitution dead by bringing an end to the ratification process. The Prime Minister promised us that this country would have a referendum if the process of ratification continued. If other countries are to continue the process of ratification, and if the treaty is not dead, as the Foreign Secretary tended to suggest today, the British people must be given a referendum, because these issues are of fundamental importance to how we govern the UK and the powers that this House has in relation to that.

The charter of fundamental rights is one of the most essential elements of the constitution. It would be the bedrock of constitutional law in the EU. Judges in Europe would accrue new powers over legislation in this country. The Government have said that the charter is sufficiently explicit about limiting its own application. That has been one of the Government's central arguments about why we should not fear that part of the constitution, but I draw the Foreign Secretary's attention to a paper by Richard Wilkins and Marya Reed on the subject, which is in the Library. They compared the development of law in the United States to what is happening in the EU, saying:

"Comparative constitutional history suggests that, despite its own proclamations to the contrary, the Charter may well alter substantially the respective powers of the EU and its nation states. Like the Charter, the Bill of Rights appended to the United States Constitution was initially intended to apply only to the federal government, not the member states. Over time, however, and precisely because the requirements of the Bill of Rights were deemed to be 'fundamental to the American scheme of justice', constitutional provisions that were initially drafted to apply only to the federal government became generally applicable to all government entities, federal or state."

They concluded:

"This comparison suggests that the Charter will almost certainly broaden EU control over a significant range of social policies. As a result, and over time, member states may be required to submit to a more expansive EU will in human rights, social services and other areas".

That brings us to the crux of the European debate. As the German Minister for Europe said:

"the EU constitution is the birth certificate of the United States of Europe . . . the constitution is not the endpoint of integration, but the framework for as it says in the preamble, 'an ever closer Union'."

It is becoming clear to all but the most blinkered Eurocrat that the rejection of the constitution and the accession of the 10 new member states is producing a new dynamic and will create a new direction for Europe. The Conservative party, hon. Members and politicians in other member states must recognise that it is not possible simultaneously to believe in a more flexible Europe and an ever-closer Union. The logical end point of an ever-closer Union is union, while the logical end point of a more flexible Europe is a completely different dynamic.

We cannot have a meaningful debate about Europe unless we frankly acknowledge that an ever-closer union of states is not our intent. We must cut ourselves free from the resentment that so many feel about the ratchet effect that is pulling us towards an unwanted destination, if we are ever to give a positive view of how Britain's constructive engagement with a more decentralised, more outward-looking Europe could benefit the people of Britain and the people of Europe, which is not to say that other countries that want to see greater political integration should be stopped from pursuing it.

Ed Balls (Normanton) (Lab): As I understand it, the treaty that most extended qualified majority voting, and was therefore of the greatest constitutional significance,

was the Single European Act, which Lady Thatcher introduced. In retrospect, does the hon. Gentleman believe that we should have held a referendum on that treaty and, if so, how would he have recommended his supporters to vote?

Dr. Fox: It is disappointing that the hon. Gentleman, who has a high reputation, should ask such a poor question. We could spend our entire time going back over previous treaties. My view, for what it is worth—I was not in Parliament at the time—is that any treaty that takes away power from the British people and hands it to Brussels should be subject to a referendum. I am entirely in favour of that particular treaty, but we must accept that we joined the single market in the belief that we would get a market of mutual recognition, but we have moved almost inexorably into a market of harmonisation, which inevitably means an increased body of law. That may not be the model of the single market that I would like, but the single market has undoubtedly benefited this country and the rest of the EU, which is why Conservative Members want to see its extension into services as quickly as possible.

Mr. Straw: The hon. Gentleman was not in the House in 1986, but he was in the House when the Maastricht treaty was considered. I wonder whether he will refresh our memories on how he voted on the Maastricht referendum amendment.

Dr. Fox: That is largely irrelevant, because—[*Laughter.*] As I have said, any treaty that gives away powers from the UK to Brussels should be subject to a referendum. We could have saved ourselves a great deal of angst in this House, and in the Conservative party, by holding a referendum on the Maastricht treaty. Any British Government must understand one thing: they do not own the sovereignty of the British people, which they borrow from election to election, and they have no right to give away the British people's powers without the specific assent of the British people.

Ed Balls *rose—*

Dr. Fox: I shall be generous to the Labour party's future talent and give way once more.

Ed Balls: The hon. Gentleman has given way to me two times.

Dr. Fox: Twice.

Ed Balls: If the hon. Gentleman likes, twice. Is he saying that the extension of QMV in the Single European Act was a good thing for Britain because it allowed us to have a deeper and more effective single market, which he would like to see extended to services through QMV?

Dr. Fox: We have all benefited from those innovations. I want to see a proper market in services because European businesses cannot operate efficiently on a global basis unless our current market is extended into services, which is a reasonable step to take. As I have said, however, anything that takes powers away from the UK and requires further treaty change should be subject to a referendum. We should put the widespread abandonment of the British vetoes in the constitution to the British people.

Most importantly, the Prime Minister told us that we would have a referendum irrespective of what happened in other countries. The Foreign Secretary has told us that the ratification process will continue in other European countries, so he may want to answer this question—will Britain have a referendum? The lack of an answer shows that the promises made to this House are utterly worthless, because we were promised a referendum if the process continued. The Foreign Secretary will not tell the House whether the British people will have a say on the continuing ratification process. We have been told time after time that the British people's powers will never be given away without specific recourse to a referendum, but the Government are intent on the continuation of the process, which might ultimately lead to British powers being given away without the British people having a chance to speak.

This Government will waste a monumental opportunity to reshape the future of Europe if they refuse to give leadership in Europe on an issue as important as the constitutional treaty. We need a more flexible, outward-looking and decentralised Europe, and they are too short-sighted to provide it. We cannot simultaneously believe in a more flexible Europe and a Europe that is moving down the road to an ever-closer Union, and Conservative Members choose a more flexible Europe. The Government cannot be trusted with the future direction of Europe, and a great chance is being missed.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Mr. Speaker has placed a 15-minute limit on speeches by Back Benchers, which comes into operation now. I appeal to hon. Members to keep within that time by some margin if they can, because there is a long list of hon. Members wishing to catch my eye.

2.27 pm

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): I welcome the opportunity to take part in today's debate. I also welcome the new Minister for Europe to his post, which, I am sure, will be one step in his further promotion in the Government. However, I remind him that he is the eighth or ninth—I have lost count—Minister for Europe since 1997. Some of those Ministers for Europe went up and some of them went down, but, subject to his not receiving too many compliments from my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), I am sure that he will ascend further.

In my brief contribution, I will support the EU, the Government and, in particular, the position that the Prime Minister and the Foreign Secretary have taken over the past few weeks. In doing so, I seek to make common cause with other hon. Members on the need for better, more transparent scrutiny of all matters European by this Parliament.

I never thought that I would say this, but I pay tribute to President Chirac, who has done a momentous job in assisting our policy on European matters by irritating

[Mr. Jimmy Hood]

the Foreign Secretary. When I bumped into the Foreign Secretary in the Tea Room last night, I said that I like him more when he is angry. He replied that he is not angry or irritated, but forceful and responsive. Whether he was forceful, responsive, irritated or angry, however, I would welcome more of it in the future.

I wish to comment on how I would prefer Parliament to proceed from where we are to where I think the EU needs to be. The treaty may be as dead as the proverbial dodo, but we need to have processes in the EU that make decision making more transparent and closer to the people. As we have heard today, there were proposals in the draft treaty that did not need treaty changes—for example, the subsidiarity early warning system and the requirement on the Council of Ministers to legislate in public. Since I came into the House this afternoon, I am sure that I heard the Leader of the Opposition support that, and I believe that the shadow Foreign Secretary was supportive as well. I got the impression that he was even supportive of qualified majority voting, which was a boost for those of us who support such progressive changes.

The subsidiarity mechanism gives greater formality to something that Parliaments could already do—that is, send reasonable objections to the Commission, which it can then consider in order to do what it thinks is right. That did not need treaty change, but more formality was required, and that was why it was included in the treaty. The Foreign Secretary has stressed that the subsidiarity mechanism ought to go ahead, and I support him in that.

As for the Council meeting in public when legislating, again, that does not require treaty change, because it was agreed at the 2002 Seville European Council that it could meet in public, and it sometimes does.

I encourage my right hon. Friend to stand his ground, to stay angry and focused, and to deliver transparency and subsidiarity to national Parliaments.

If we are serious about encouraging the European Union to look to the future—and I applaud what the Foreign Secretary is seeking to achieve—let us understand that the best way to lead in Europe is to walk the walk, not just talk the talk, in our own Parliament first.

Angus Robertson: I am grateful to my esteemed Chairman of the European Scrutiny Committee over the last Session for giving way on this important point. Does he agree that when walking the walk one important signal to other countries would be to continue the scrutiny process in national Parliaments? Does he think it strange that this House's European Scrutiny Committee has not met for two months and that by the end of this month, more than 100 main items will not have been scrutinised by parliamentarians in the House of Commons but will still go to Brussels for decisions by Ministers in the Council of Ministers? What kind of message does that send out about parliamentary scrutiny in the UK Parliament?

Mr. Hood: I must have left my notes lying in the Tea Room because I intended to cover that later in my speech.

I have long argued for reform in our own procedures for scrutinising all matters European in this House. I must accept that this Government, more than any other before them, have done more to improve our scrutiny procedures in this House, but—this is a good wee phrase that I have heard before—we have done a lot but have a lot more to do. One of the first actions of our Government should have been to set up the Select Committees a lot more quickly. That is very important.

The hon. Member for Moray (Angus Robertson) mentioned some statistics. Since the European Scrutiny Committee met on 6 April, before the general election, 150 EU documents have been deposited in Parliament. The UK presidency begins in a couple of weeks' time, yet we do not have a Committee set up so have been unable even to question our Ministers on what they intend to do and what their priorities will be during their presidency. That is something that the European Scrutiny Committee has done on every previous occasion. There are 150 directives that will either need to have the scrutiny reserve removed from them or delay the business in the European Council. That cannot be a good example for the country that is taking over the presidency to set. I want to make a plea that next time our Parliament is dissolved the scrutiny processes must be in firmly in place as soon as we have a new Parliament back.

Chris Bryant: My hon. Friend is making a very important point. Likewise on the scrutiny issue, when EU legislation is being transposed into British legislation, it often ends up coming in through a statutory instrument, which means that we have only one and a half hours' debate and no opportunity to amend. Does he agree that we need to find some third way between a full Bill and a statutory instrument so that we can have better scrutiny of the transposition process into UK law?

Mr. Hood: I would welcome any such positive proposals. We have long had a debate on how best we scrutinise. Indeed, the Modernisation Committee will soon send the House some proposals that I hope will answer some of these questions. I gave evidence to the Committee and made some proposals that could improve the scrutiny process. I hope that we are able to get some progress as a result of its recommendations.

As I have some time left, I should like to answer the question that was asked of the Foreign Secretary about the European Scrutiny Committee. I have chaired that Committee since it was set up in 1998 under the new rules and procedures. The Committee meets and takes evidence in public and is televised, and we publish reports every fortnight on what we are doing. It does not meet in private. It does the same as every other Select Committee in this House. It deliberates with its legal advisers and special advisers in camera. The Modernisation Committee is proposing to revisit this and to have a trial period on how best to proceed. We should welcome that and consider it, but let us not give the impression to the public that we are discussing European issues in private, because that is not the case. I am sure that we will discuss the Modernisation Committee's proposals when they come to the House, and I look forward to that.

2.38 pm

Sir Menzies Campbell (North-East Fife) (LD): I am afraid that I cannot resist an historical reference. I apologise to those, including the hon. Member for Buckingham (John Bercow), who has just left, who may have heard it before. It is this: there was an opportunity during the Committee stage of the Maastricht Bill to vote for a referendum. It was provided by new clause 51, which was tabled by Mr. Bryan Gould, who was then a Labour Opposition Member. There was a vote, and if my memory serves me right 50 or 60 Members voted in favour of a referendum. I do not offer that as an effort to establish virtue on my part or on the part of my right hon. and hon. Friends but to point out that there was an opportunity for those who felt that the treaty of Maastricht went so far that a referendum was required to express that preference by way of a vote. It is notable that the treaty of Maastricht was the origin of the common foreign and security policy about which we have had so many discussions in this House, and which envisaged the possibility of a common defence. That has not proceeded for reasons that are doubtless intelligent and sensible. However, it is worth re-examining Maastricht when people feel concerned about the extent to which—they claim—powers would be transferred unnecessarily and illegitimately to Brussels as a result of the constitutional treaty, which has been the subject of negative votes in France and the Netherlands.

We owe the hon. Member for Lanark and Hamilton, East (Mr. Hood)—I wanted to say "Clydesdale"—thanks because he has brought the debate to where precisely we go from here. Although I found the contribution of the hon. Member for Woodspring (Dr. Fox) interesting, it seemed to those of us who are survivors—I use that expression advisedly—of the many debates on the constitutional treaty that he was dwelling in the past.

Much of what we discuss comes to down to belief. I shall therefore start with what could be described as an affirmation of faith. I have no doubt that the European Union has been instrumental in promoting peace, stability, democracy and human rights throughout Europe. With NATO, it has strengthened our security and, through the free market, it is the foundation of our economic prosperity. If that were not so, how do we explain why so many countries, freed from the yoke of communism, have shown such unbridled enthusiasm for joining not only NATO but the European Union and availing themselves of its benefits?

I believe—and have no doubt—that there is no option in the modern world for states to do other than co-operate in tackling global challenges such as cross-border crime, terrorism, weapons proliferation, the environment and climate change. Isolation or failure to co-operate would undermine, not enhance the national sovereignty, which we all, whatever our position, regard as greatly important.

Mr. David Drew (Stroud) (Lab/Co-op): I was intrigued to read early-day motion 318, which two of the right hon. and learned Gentleman's new colleagues tabled. If I interpret it correctly, it takes a much more lukewarm approach to the EU. I appreciate that custom and practice means that he cannot sign that early-day motion, but does he support its spirit?

Sir Menzies Campbell: It is the curse of the Front Bench not to be able to control the Back Bench. New Members of Parliament are entitled to their point of view; I am now setting my position clearly and unequivocally on the record.

Later this week at the Council meeting, the Heads of Government would do well to reaffirm their commitment to a Europe that is secure and economically strong. I do not discount for a moment the importance of the budget or the rebate, but over-concentration on them would be a diversion from a much larger debate, which is now necessary and prompted by the no votes in the referendums in France and Holland.

We have to decide what sort of Europe we want before we can determine the amount of resources required to support it, and what individual members are required to pay for that support. Of course, the rebate and the budget are important, but how much more important is the threat of nuclear proliferation on our doorstep or the vulnerability of European states on energy supplies? If we consider the long-term significance of those issues, perhaps it will put the rebate and the budget into perspective.

It must be the case that prolonged infighting, as one newspaper described it in the past two or three days, can only damage the European Union in the eyes of its citizens. It is worth making a point that could be perceived as partisan, but has some substance. The main protagonists in the European Union, Mr. Chirac, Mr. Berlusconi, Mr. Schröder and even the Prime Minister are, for various reasons—some voluntary and some caused by other pressures—reaching the end of their political careers. Perhaps a new prospectus for Europe requires new people to promote it.

I want a European Union that is decentralised, transparent and accountable and that protects human rights, civil liberties and the rule of law. There is no other economic association that requires those who wish to join it to satisfy a set of criteria on good governance and human rights. The Copenhagen criteria are unique. No other economic organisation or association requires its members to satisfy such standards of governance. That is often forgotten and not given sufficient emphasis.

Mr. Lilley: The right hon. and learned Gentleman said that he was in favour of a decentralised Europe. Does that mean that he opposes the ratchet whereby powers can be transferred only from European nation states to European institutions, and not back again? If he opposes that, will he nominate any powers or competences that he believes should be transferred back from central institutions and decentralised to the nation state?

Sir Menzies Campbell: I do not accept the metaphor of the ratchet, which is in common use on the right hon. Gentleman's Benches. I believe that Brussels should do only what it needs to do and that the principle of subsidiarity should be applied ruthlessly and rigorously. That was one of the advantages of the proposed

[Sir Menzies Campbell]

constitutional treaty. It referred to subsidiarity and contained some measures that were designed to try to achieve that.

Mr. Boris Johnson (Henley) (Con): Will the right hon. and learned Gentleman give way?

Sir Menzies Campbell: In a moment.

The measures were not strong enough. Indeed, the hon. Member for Buckingham, who is currently absent, and I agreed on several occasions that more should be done. When we held a similar debate the other day—there is a sense of déjà vu about the proceedings—I posited that there should be an annual audit of subsidiarity. There should be a report to the House on the extent to which the principle had been properly applied in Europe. One can take a variety of measures to ensure that Brussels does only what it has to do for the purposes of the competences that the member states of the European Union have conferred on it.

Another advantage of the constitutional treaty was that it expressly set out that Brussels had only those competences that were conferred upon it. That appears in the early part of the treaty. We have lost that if the treaty no longer has any viability.

Mr. Johnson: Will the right hon. and learned Gentleman give way?

Sir Menzies Campbell: The hon. Gentleman should contain himself, but I shall give way to him now.

Mr. Johnson: How can the right hon. and learned Gentleman possibly describe the constitution as a decentralising measure when it extends qualified majority voting to 63 further matters? Is he genuinely in favour of that? How can he call it decentralising?

Sir Menzies Campbell: I hope that the hon. Gentleman has been through the 63 matters. One is the appointment of the Court of Auditors. Do we need unanimity in the European Union before we deal with such issues? I have seen the 63 matters, and I believe that there are occasions when qualified majority voting is in our interests. It makes no sense to reject qualified majority voting on principle in all circumstances unless one is willing to accept that, in all circumstances, every country can have a veto, and that all progress and development in the European Union, for example, on strengthening the single market, should be subject to the veto of one aggrieved country.

As I have said, I believe instinctively in the European Union but I believe equally instinctively in the need for its reform. I also believe that, where criticism is justified and constructive, we should not shrink from such criticism.

Let me deal briefly with the constitutional treaty. As I think is more than clear from what I have said already, I believed that the treaty should be supported, and my right hon. and hon. Friends supported it throughout discussions in the House, as we did in the previous Parliament on Second Reading of the Bill designed to give effect to it. Of course, it was not perfect, but the treaty of Rome most certainly was not perfect, and whatever claims were made for the Single European Act in 1986 by the then Government, I do not suppose that it was perfect either. Nor was Maastricht perfect, nor Amsterdam, nor Nice. All, however, in due course, passed the test of this House. However sympathetic one might have been to the treaty, one must now accept that we cannot afford to ignore the most recently expressed political will of two countries of Europe. We should also recognise that the likelihood of the people of France and the Netherlands reversing their vote is remote, and that the likelihood of the Governments of France and the Netherlands asking their citizens to vote again is even more so.

The harsh, practical fact is that without Dutch and French assent this treaty cannot be enacted. I therefore do not believe that it would make any sense to have a referendum of the British people. I have described that previously as being quixotic, and it would be bizarre to ask the British people to endorse a treaty that could not be enacted. One needs only to ask oneself, as the right hon. and learned Member for Rushcliffe (Mr. Clarke) did to some effect on a previous occasion when we discussed these matters, what sort of turnout we would achieve in a referendum designed to vote yes or no to a treaty that could not be enacted. I suspect, being rather partisan, that only the zealots who are opposed to Europe in all circumstances would feel motivated to come out and vote.

Mike Gapes (Ilford, South) (Lab/Co-op): I am certainly not a zealot opposed to Europe. Given what the right hon. and learned Gentleman has just said about the sensible decision not to proceed, will he give some advice to his colleagues in the Dutch Liberal party who have been calling for precisely the opposite?

Sir Menzies Campbell: As I have demonstrated, I am not sure that I can give advice to Back-Bench colleagues in my own party. Setting myself up as an honorary and no doubt unpaid adviser to the Dutch Liberals does not seem to me to be a particularly constructive approach. We must all make up our own minds. If one were in a political party in Holland, perhaps one's attitude would be conditioned to a large extent by what had happened there. We are a little more detached and we are entitled to take our own view. I most certainly do not think that it would make any kind of common sense to seek a referendum on a treaty that cannot be enacted. In that regard, I find myself not for the first time wholly at one on these matters with the robust views expressed by the right hon. and learned Member for Rushcliffe.

Mr. Davidson: I am grateful to the right hon. and learned Gentleman for making the point that he does not necessarily want to speak for the Liberals of Holland. Can he make clear, however, what is the view of the Liberal Democrats in the United Kingdom, given that their constitutional spokesman in the European Parliament, Andrew Duff, has said:

> "My preferred choice, and that of the Alliance of Liberals and Democrats, is to continue with the ratification process as planned. Meanwhile France and the Netherlands can reflect . . . on the real consequences of their negative votes."

[Interruption.] Oh, that was last week, was it? Do the Liberal Democrats have a position here and a position in Brussels, a position this week and a position last week? Can the right hon. and learned Gentleman tell us what the position will be next week?

Sir Menzies Campbell: There is a terrible sense of déjà vu about this. I said to the hon. Gentleman last week that I thought that he had missed a career in music hall. If he goes on to any greater effect, I might even think that he could have survived the Glasgow Empire on a Monday night.

We had this out last week. Labour MEPs voted in the European Parliament against their Front Bench's view in relation to the working hours directive. People have different views. I am telling the House the view of my party and what I believe to be the proper approach on this issue—an approach that is likely to commend itself to the public rather more easily than the suggestion that we might have a wholly artificial test of public opinion with a referendum in relation to a treaty that could not be enacted.

To use the expression of the day, there ought to be a period of reflection. That period of reflection, however, must be used to try to re-establish confidence and trust in the European Union, remembering always that the structural problems with which the constitutional treaty was designed to deal still remain with regard to the operation of an enlarged Union. I was glad to hear the hon. Member for Woodspring accept that a European Union of 25, perhaps soon to be 27, cannot be run on the same arrangements as those that obtained with a European Coal and Steel Community, as it first was, of six.

That does not mean that I do not remain of the view that any significant change in the relationship between the Union, its member states and its citizens would require a referendum. If there are non-controversial items in the treaty, however, which have the aim of greater transparency and efficiency, and which can be achieved by institutions changing their methods and without any significant transfer of power to the Union, those should obviously be enacted.

We have already had extensive discussions—we did so at Prime Minister's questions—on the issue of transparency and the Council of Ministers. More can be done to involve national Parliaments and to allow national Parliaments—I was one who was rather more sympathetic to the idea of a red light than an amber light—the opportunity to express their opposition to proposals coming out of Brussels. Indeed, the Commission itself could undertake that, when a significant number of Parliaments entered caveats, any draft legislation would be suspended to ensure that proper regard was given to the principle of subsidiarity.

The Commission could be streamlined. Under Nice, for example, every member state has the right to a Commissioner. If Bulgaria and Romania accede, the Commission will increase from 25 to 27 Commissioners. How can that possibly be justified? As I understand it, that can be done without constitutional change, and it would obviously be desirable—

Mr. Davidson: Give up the British Commissioner.

Sir Menzies Campbell: I will leave the hon. Gentleman to put that point in such meetings of the Labour party as he thinks might receive it sympathetically.

There is no doubt that the European Union will need to evolve. Further changes may be necessary to ensure that it works more effectively and efficiently. I believe fundamentally that change should be incremental, not convulsive. That is why I said in last week's debate that we must get away from the notion of a Maoist cultural revolution in which the European Union is permanently engaged in the creation of treaties and then their ratification.

It also seems that increased powers for national Parliaments in the European legislative process, and more frequent consideration of draft European legislation, would be an effective method of stimulating the extensive debate for which the hon. Member for Woodspring has called and which most of us would accept. The Prime Minister seemed to be sympathetic to that point today.

At Prime Minister's questions, the Prime Minister talked of two particular areas on which I want to touch briefly. The first was the impact of globalisation and he identified rightly the economic significance of the rise of India and China. We would do well, however, to consider not just the economic advance but the political advance. One does not have to go far among Indian politicians to find an overwhelming conviction that they are now entitled to a permanent seat on the United Nations Security Council. In relation to China, we do not have to accept the official figures for defence spending. Rather, we should look behind those figures to see that, in addition to the quite remarkable economic growth that China is enjoying, there is equally a growth, which is perhaps not quite so spectacular, in China's defence posture.

It is inevitable, if those countries expand economically in the way we have seen and in the way we predict, that they will exercise greater political influence, or seek to do so. That, I believe, is an overwhelming argument in favour of the European Union being not just a free trade area, but an institution that has a political purpose and, so far as possible, a unanimous common foreign and security policy.

The Prime Minister pointed to a second area, and he is quite right to do so, particularly against the background of the last two or three years in our relationship with the United States and Iraq. He said that it is important to consider the relationship between the European Union and the United States. That is absolutely right. I have some criticism, which I have voiced in the past, about the nature of the current relationship between our Government and the American Administration. I would prefer what I have described previously as a partnership of influence.

One eminent commentator in a broadsheet newspaper today has already begun to say that, in this new approach to the European Union, we should regard our membership of NATO as a shackle rather than a prop. That is a fundamental point to make. I believe NATO to be the cornerstone of Britain's defence and I find it very difficult to envisage circumstances in which I would do other than support NATO, and support it to the best of my ability, but there are others who are already beginning to raise these topics. That, once again,

[Sir Menzies Campbell]

emphasises the need for the European Union to be not just a free trade area and a single market, but an organisation with a defined political purpose.

Dr. Fox: The right hon. and learned Gentleman began his remarks by saying that the free market has an important role to play in the prosperity of Europe and he is now talking about the impact of globalisation, yet in Europe we have 19 million unemployed and our job creation is way below that of the United States, as is our productivity. It is all very well talking about political structures. What economic reforms does Europe need to introduce far more quickly?

Sir Menzies Campbell: Not all countries in Europe suffer from the ailments that the hon. Gentleman described. For example—again, I think I said this last week—since joining the single currency, Ireland and Finland have enjoyed growth rates in excess of those of others. Many of the problems that France and Germany have experienced are structural. Indeed, there is a compelling argument for saying that it is easy to blame Europe and the single currency for a failure by some Governments to take decisions domestically that would otherwise prove unpopular. Anyone who has followed the election result in North Rhine-Westphalia will see that Mr. Schröder's efforts along those lines have proved extremely unpopular politically, and of course have precipitated a German general election in September.

I do not have a list of measures, but we need to consider the Lisbon agenda, which I shall come to in a moment, as well as European competition policy. We need a liberal, outward-looking trade policy towards the rest of the world, especially developing countries. Those seem to me to be the mechanisms by which to improve the economic performance of the European Union.

Kelvin Hopkins (Luton, North) (Lab): I cannot accept what the right hon. and learned Gentleman is saying. Does he not accept that Germany's real problem is a massively deflationary impact deriving from its membership of the eurozone? Germany joined the eurozone at a relatively high parity and interest rates were too high. It is not permitted to reflate using fiscal policy either. In Ireland, the opposite is the case.

Sir Menzies Campbell: Before making that judgment, we would have to consider the whole German economy, not least the nature of welfare state provision and whether that provision—the rights of retirement and levels of benefit it gives—can be sustained in that country in current circumstances.

I am not suggesting for a moment that we can compete against India or China in terms of wage rates or things of that kind. We must utilise innovation and be quick in the market—much quicker, perhaps, than we have been—but I certainly do not believe that it is simply a matter of membership of the single currency that has brought those difficulties to Germany.

There are structural problems and political inhibitions. Unless and until those are overcome, the position of Germany will continue to be one of great difficulty, although there are those who argue, with some justification, that, as a consequence of the deflation to which the hon. Gentleman referred, the Germany economy is, in its fundamentals and underlying features, extremely strong. They also argue that Ms Merkel, if elected in September, may well be the beneficiary of a substantial economic improvement in Germany.

Mr. Mark Hendrick (Preston) (Lab/Co-op) *rose—*

Sir Menzies Campbell: If the hon. Gentleman will forgive me, I must make progress as others want to speak.

We need a greater effort within the framework of existing treaties to improve and extend the single market, including in services. I have said already that we must strengthen competition policy and have an outward-looking trade policy towards the rest of the world, particularly developing countries. On the rebate, we most certainly support the United Kingdom Government's approach. The United Kingdom is the European Union's second largest contributor. Of course, our receipts from the European Union are comparatively low.

No doubt the hon. Member for Glasgow, South-West (Mr. Davidson) has gone to the Glasgow music hall. *[Interruption.]* Oh, he is back. This is the point that I want to make: if there is to be any serious effort to reduce expenditure on the common agricultural policy, there may be a price to be paid for that in this country. We have to accept that. We cannot reduce overall support in the European Union and expect the French to take all the grief. That is an internal, domestic argument that we would have to have politically.

It is worth remembering how the current CAP arrangements came into being. We should remember—this made something of a change to the Prime Minister's usual sunny disposition—that, in 2002, he arrived at a Council meeting to discover that Schröder and Chirac had met the night before. They presented him with something of a fait accompli. Perhaps there were options in terms of not signing up to it, but, of course, the Government signed up, no doubt because at the time it was felt necessary to do so.

It is right that there should be a cap of 1 per cent. on the European Union budget, but I want to make the point that I put to the Foreign Secretary in an intervention: there must be concerted efforts to improve fiscal discipline, transparency, the elimination of waste, efficiency and the elimination of corruption. A greater application of subsidiarity in fields such as social policy seems to me desirable.

I still believe that there are circumstances in which Britain would be well advised to join the single currency, although not at the moment.

Mr. Quentin Davies (Grantham and Stamford) (Con): The right hon. and learned Gentleman mentioned corruption. Does he agree that the European Court of Auditors has for a number of years regularly signed off the Commission's accounts with no qualifications at all? The problems have been in the accounts of the member states, so far as member states have been disbursing a large number of programmes. Of course, we could take

that power away and give the Commission responsibility for managing all those programmes throughout the Union, but would not that be an amazingly federalist proposal? Meantime, is not the corruption a function of the member states' role in the administration of the European Union's programmes, not of the institutions of the Union itself?

Sir Menzies Campbell: The hon. Gentleman is right, but those things, however they are caused and whoever is responsible for their supervision, none the less constitute a waste of money sent to the European Union for the purposes of the Union. If the member states are serious about dealing with this, then, as his intervention quite properly points out, they have the remedy in their own hands.

On enlargement, I hope that the candidates will not be the casualties of the current disarray in the European Union. I hope also that the accession of Romania and Bulgaria will proceed, provided that they meet the economic and governance criteria to which I referred. I also support the accession of Turkey, because it is fundamental to demonstrating that the European Union is genuinely outward looking and that it does not reflect the values, civilisation and religion of western Europe only.

Toward the end of this speech, the Foreign Secretary made a rather eloquent case for Britain's wholehearted participation in the European Union. On behalf of my right hon. and hon. Friends, I can do no more than to endorse that case.

3.10 pm

Dr. Alasdair McDonnell (Belfast, South) (SDLP): I thank you, Mr. Deputy Speaker, for this my first opportunity to address the House as a Member of Parliament. I have been told that the long-held tradition is that a new MP should praise his predecessor, and I realise that this may be more difficult for some than for others. For me, it represents a particular challenge. My predecessor, the Reverend Martin Smyth, was MP for Belfast, South for some 23 years—since 1982. Given that Martin is a former grandmaster of the Orange Lodge and was an outspoken and constant critic of the Good Friday agreement, it would fair to say that he and I operated very much at opposite ends of the Northern Ireland political spectrum in almost every way. He is, however, an honest man and consistent in his views, and the efforts that he put into trying to frustrate the progress of the Good Friday agreement are worthy of note. His attempts to undo the agreement were in no small way instrumental in my victory on 5 May, and for that I am extremely grateful to him. Despite our many differences, I wish him well in his retirement.

I am pleased to contribute to this afternoon's debate on the future of the EU, and perhaps I will have a greater opportunity to do so on another occasion. Britain's attitude to Europe has long fascinated me, and that fascination remains after some of the events during today's Prime Minister's Question Time. As an Irishman and a member of a political party that fully embraces the ideal of European unity, I have looked at Britain's relationship with Europe with great frustration. It depresses me that a nation of many millions more people and with much greater financial power than most could not learn from the experiences of a simple country such as Ireland, whose financial power and political clout is much less, but which has benefited greatly from the social, political and economic opportunities offered by the EU.

For me, having listened to today's discussions, there is too much talk about putting Britain at the heart of Europe, and then facing the other way and starting to walk. At times in my despair, I am reminded of the apocryphal newspaper heading from early in the previous century, which stated, "Fog in channel—continent isolated." Given certain comments made in the House today, it is clear that some still consider the continent isolated. That remains one of the most depressing attitudes that we can experience in modern political life.

However, it is perhaps more depressing to consider what is happening to Northern Ireland in terms of attitudes to Europe. Despite unprecedented levels of EU investment in our region, totalling more than £3 billion, Northern Ireland returned three anti-European MEPs last June. That the EU remains one of our strongest supporters of the peace process and the move towards stability in Northern Ireland was established beyond doubt only one week ago, when, despite last June's verdict, the European Commission announced a further £97 million of Peace II funding. We in the Social Democratic and Labour party, along with my colleagues in this House, recognise and welcome that support, and we remain equally strong in our commitment to Europe.

In a maiden speech, it would be remiss of me not to mention some of my local interests. Although I am pleased to have the opportunity to speak in this august Chamber and to contribute to today's debate, the truth is that I would much prefer to be back on the ground in Belfast, working in the local devolved Assembly to bring peace and to strengthen the peace process that has been working there. I would prefer to be in Belfast, delivering real change for my constituents and making the Good Friday agreement work, but it is here that I must be, because of the intransigence, cynicism, lack of imagination and insecurities of other political movements in Northern Ireland. Because of the absolute absence of any democratic accountability in Northern Ireland, it is here that I must be. Because the Government have shirked from their commitments under the Good Friday agreement and have at times chosen the way of shady side deals and secret promises, it is here that I must be.

I am here without apology as an Irish nationalist. Like many Irish leaders before us down the centuries, my party and I choose to stand here and to fight our corner honestly, and to argue an honourable case. With no other forum in which to hold the Government to account, and no other way to address the many serious issues facing my constituents, we stand up for them and fight for their needs. It saddens me deeply that five out of Northern Ireland's 18 MPs do not have the courage to do the same and to be here to argue their case.

I stand here and fight for a better deal for my constituents because all the people of Belfast, South—nationalists, Unionists and those of neither persuasion—deserve no less from me. In Belfast, South, I am privileged to serve a constituency that encapsulates much that is good, and which perhaps better than any other illustrates the many and varied issues that are holding Northern Ireland back. It is the home of some of the most successful

[Dr. Alasdair McDonnell]

business and professional people in the country, and it also includes some of the areas of greatest deprivation and social need. It contains some of the most fiercely loyalist, and some of the most staunchly provo, districts in Northern Ireland.

Some of my constituents have enjoyed the benefits of relative economic success, while many more live under the yoke of paramilitary crime syndicates and are brutalised daily by gangs of one hue or another. The malaise that hangs over much of Belfast, South is the same one that hangs over Northern Ireland. It is a malaise born of economic stagnation, cynicism about our politicians and a general disillusionment with the breakdowns and the stop-start methods of the peace process. It is a malaise that is exacting a terrible human toll. I give a simple example. A generation of young men has been cut down by one of the highest suicide rates in Europe. In my constituency alone, we can treat only one third of those presenting with mental illness, an issue which we discussed earlier today. The development of mental health services in Northern Ireland has fallen well behind the rest of the UK. This is particularly so in, for example, certain inner-city areas in my constituency that have levels of deprivation and poor social cohesion that are among the highest in Northern Ireland. Inner-city deprivation results in higher mental health needs, but community mental health services in Belfast, South are inadequately developed, and staffed far short of the levels required to meet the range of mental health needs.

The disillusionment with our political process to which I referred has been encouraged by—and, in turn, encourages—parties whose strength comes from fear and division. It is an attitude that has served those parties well, but it serves no one else. As the parties of division have succeeded, our shared public services—the bread-and-butter issues that reflect the needs of our ordinary people—have failed. Be it the health service, schools, the infrastructure or the economy, we are seeing the direct and devastating effects of political failure. While the extreme loyalists and provos play their political games, everybody else suffers.

It might not be entirely clear to the House what a failure direct rule can be for us at times, but I would like to give two simple examples of what happens when accountability slips and is removed—examples that should be close to the heart of this Government. In Northern Ireland we have good schools and excellent teachers who are struggling to educate a new generation of our children to practise reconciliation, to build a future, to break the cycle of underachievement, resentment and violence, and to dare, perhaps, to hope for a better future. I am aware that the Government were once elected on a platform of education, education, education, but I regret that in Northern Ireland our education budget has been cut.

At times we hear of difficulties across Britain, and criticism of the Government that I often do not accept: I support the Government and most of what they do, and I do not like some of the allegations that are made. Let me, however, give a second example. Our region struggles with planning policy perhaps more than any other. We have a city, Belfast, that needs a co-ordinated urban regeneration policy. Perhaps I could refer briefly to what Sherlock Holmes might historically have described as the Sprucefield John Lewis case. Developers sought permission for a massive 500,000 sq ft development 11 miles from the city. I was satisfied that it would never go through—that the application would be thrown out—as was the chief executive of our planning service. Unfortunately, our new local Environment Minister had other plans. Barely a fortnight into the job he called a press conference and announced that the project would go ahead, devastating the heart of the city and Belfast, South in particular. My constituents are bewildered, to say the least.

Various factors have combined to bring the SDLP to this point. I have already mentioned the parties of division, but I am sad to say that at times another factor has been the attitude of Government. Last year, Government decided to sideline the SDLP in negotiations. Much time and energy was devoted to the parties of division. By sidelining the SDLP, Government sidelined the party of inclusivity and pluralism. It was never going to work, and when it failed the SDLP was expected to throw out the Good Friday agreement and cobble together a shady deal. We are not interested in a shady deal. We believe that there is a future in Northern Ireland. That is what we are working for here, and that is what we are prepared to fight for here.

We in the SDLP have shown, I think, that we will not be ignored. We stand up to militant thugs on the ground at home, and we will stand up politically everywhere else for what we believe in. For centuries Irish Members of Parliament have been returned to this House to make a case for justice, equality and peace in Ireland. The SDLP is proud to have three Members here, and to continue that honourable tradition.

Our party has played a major role in bringing the region to where it is today, bringing about the peace process, and bringing about the stability—or relative stability—that has been created. We stand closer today to achieving the goals that have been sought for centuries, the goals of justice, equality and peace, than at any other time in our history. I must warn the House, however, that Northern Ireland stands on the verge of something much less positive.

My colleague and great friend, the former Member of Parliament Seamus Mallon, has talked of the balkanisation of Northern Ireland. That is a nightmare for all of us. If the parties of division have their way, we will all live in single-community ghettos. I assure the House that the SDLP will stand up to those who would seek to establish such an apartheid society.

When we began our struggle 35 years ago, marching for civil rights—it continued until the time of the Good Friday agreement, as we sought justice, equality and fairness—we wanted to create a pluralist, tolerant society where every child would be cherished equally and our towns and cities would be shared places welcoming all. In that struggle, we will continue to fight for justice on behalf of families such as the family of Pat Finucane. We will continue to stand beside families such as the McCartney sisters as they resist mob rule and thuggery, and provide an example for all of us of decency, a high profile and courage.

Belfast, South reflects many of the problems of modern society in Northern Ireland, but it is a constituency from which I believe we can all draw some hope. It is one of the very few areas left in Northern

Ireland where people from both main traditions can live genuinely in mixed communities and work together. It is a constituency where, despite some high-profile setbacks, we are welcoming in new immigrants from diverse ethnic backgrounds across the globe—from eastern Europe, Africa and Asia. I look forward to working every day during this Parliament to encourage all that is good in my constituency, and to shine a light on that which might be rotten. I will stand up as best I can to those who would divide, instil a fear or hold back our potential.

Thank you, Madam Deputy Speaker, for enabling me to make my first speech to this august Chamber.

3.24 pm

Mr. William Hague (Richmond, Yorks) (Con): It is a great pleasure to be the first to congratulate the hon. Member for Belfast, South (Dr. McDonnell)—although I see that the Foreign Secretary is competing with me—on his excellent maiden speech. He spoke eloquently about his constituency. He mentioned his predecessor, the Reverend Martin Smyth, whom many of us counted as a friend. I hope that the hon. Gentleman will enjoy as many friends in the House as his predecessor, and that his constituents will enjoy the benefits of peace, of which he spoke eloquently as well. He also showed that he has understood from the beginning that it is not necessary to shout in the House in order to be heard. That is a new insight for some Northern Ireland Members in particular, and I hope it will set a continuing example to many other Members.

The hon. Gentleman referred—this is relevant to today's European debate—to the old saying "Fog in Channel, continent cut off". That may not be a fair comparison with the situation today. A closer analogy would be "Fog in Brussels, people of Europe cut off". One of the disappointments of the debate so far is that the Front-Bench speeches—with the exception of the speech of my hon. Friend the Member for Woodspring (Dr. Fox)—have not quite lived up to the drama of what has happened. I know that this is the third parliamentary occasion on which the subject has been discussed in the past nine days, and that may partly explain it; but the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) is still cheerily clinging to the view that Germany's economic problems have nothing whatever to do with the euro. He was right to point out that those problems had other origins, but it may now be time for the advocates of the euro to recognise that it may be one of the factors making economic conditions in the eurozone substantially worse.

Even German Ministers now seem to think that. Apparently, Germany's Economy Minister, Mr. Clement, said at the beginning of the month:

> "We're exporting stability within monetary union, and for the good of monetary union. We're paying for that, and it has to be said that the price is not negligible since we're losing the comparative advantage of lower real interest rates".

So even German Ministers are beginning to say that the euro is having an adverse effect on their economy. It is time for advocates of the euro in Britain to recognise that as well.

It was also disappointing to hear the Foreign Secretary continue to defend some of the supposed innovations in the European constitution as an improvement in democratic procedures. There should be a bigger role for national Parliaments, he said, quite rightly. Many of us throughout the House would agree with that. However, are we to believe the procedures outlined in the constitutional treaty, whereby if we get a third of all the other Parliaments in the European Union to object to something the Commission will deign to give it a second thought—and not necessarily change it? Can anyone imagine telling the parish councils of Britain that only if a third of them passed a resolution objecting to a Government White Paper would we consider thinking about it again in the House? That would be regarded as extremely arrogant, yet we are meant to accept it in the national Parliaments of Europe as a democratic crumb from the Brussels machine. We are meant to rejoice in the idea that our views may be considered if we can get other Parliaments to come along with us. If the Government are to champion the role of national Parliaments in European democracy, they will have to be far bolder and more radical than that.

It was also disappointing to find evidence in the Foreign Secretary's speech that the Government's negotiating position for the European Council may not have been fully thought through. My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) asked him about the implications of the Government's proposals at the Council for existing policy on the common agricultural policy and for the transition to a new system of farm payments over the next five or seven years, and it has to be said that the answer was roughly along the lines that the Government "haven't the foggiest" about those implications. Those, however, will presumably be among the first questions that French and German Ministers will ask when the UK rebate is discussed in the Council.

Nevertheless, I want to heap some praise on the Foreign Secretary today. Much ironic praise, no doubt deserved, has already been directed at the Minister for Europe, but it was the Foreign Secretary—or so it is said in press reports—who persuaded the Prime Minister during the course of last summer to commit this country to a referendum, and it was the Prime Minister's commitment, according to other press reports, that prompted President Chirac to hold a referendum in France. It just may be that if any one individual is to be thanked more than any other for the destruction of the European constitution, it should be the Foreign Secretary, who threw the pebble that created the avalanche. If that is the case, many of us would like heartily to congratulate him on doing so today. He has been a democratic catalyst and I hope that he will be one again.

Unfortunately, as a catalyst, he put the Prime Minister's policies on these matters through yet further changes. I believe that the Prime Minister is now on his seventh policy in 18 months on the question of holding a referendum on the European constitution. My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) compared it at Prime Minister's Questions to the Kama Sutra, but even with all the Prime Minister's skills of ambiguity, his endemic contortions and U-turns, he is not quite in that category. Nevertheless, there have been seven different policies so far.

[Mr. William Hague]

First, the European constitution was nothing more than a tidying-up exercise, clarified, when I asked the right hon. Member for Neath (Mr. Hain) some months ago, into a three-quarters tidying-up exercise, which was not important enough to justify a referendum in the UK. Then the policy changed, when the Prime Minister decided that it was too important to be put to a referendum in the UK. Holding such a referendum, apparently, would have been a gross and irresponsible betrayal of our national interest because parliamentary scrutiny was required.

The third policy was that a referendum was not ruled out, after all. The fourth was that it was an excellent idea—this was after the Foreign Secretary had done his handy work of persuasion—and the Prime Minister stood at the Dispatch Box last summer to declare in ringing terms:

"Let those of us who believe in Britain in Europe—not because of Europe alone, but because we believe in Britain and our national interest lying in Europe—make our case, too. Let the issue be put and let the battle be joined."—[*Official Report*, 20 April 2004; Vol. 420, c. 157.]

Astonishingly, after that he refused to join in the battle at all and spent the next 12 months totally evading that battle. It is as if Henry V had said before Agincourt that there were

"gentleman in England now abed should think themselves accursed they were not here"

and then gone off for a nap himself. That was the position of the Prime Minister.

Having failed to join the battle and having been understandably quizzed in the general election campaign on whether a referendum would happen, we were then assured by no less than *The Sun* on 20 April that Blair had given

"an unequivocal promise to The Sun that he will allow the people to vote in a referendum on the constitution, even if the French vote No on May 29 and effectively kill the treaty."

That unequivocal promise, then, became the fifth Prime Minister's policy the issue.

Now, however, we have a sixth policy, which is a period of reflection. After a lengthy such period, we are told, we should take a leadership role in Europe. That is not exactly a stirring call to battle. A seventh policy is no doubt on the way—after that period of reflection or perhaps after the European Council meeting.

It is clear that the European constitution is dead. Of course, it is right for the Government not to hold a referendum if other countries recognise that the constitution is dead, but we should not believe that there would not be a large turnout in a referendum or that a referendum should not be held in this country because people would not find it interesting enough. They would find it interesting and they would turn out in large numbers. The real reason for the decision not to hold a referendum is that the Government know full well that there is not an earthly chance of winning such a referendum in this country. As I said, however, if the European Council is to consign the constitution to where it belongs on the scrapheap, the policy would then be acceptable.

It seems to be taking some European politicians a long time to realise what has happened. One French Minister on European Affairs said last week, in advocating that other countries should proceed with ratification:

"It is a question of democracy. It is not for one member of the EU to decide for the others, or to block the process of ratification of a treaty signed by 25 countries."

That is a remarkable statement. Surely, in a treaty that requires unanimous agreement, it is indeed for one member to decide for the others. If that country wishes to do so, it can block ratification. It merely adds to the bizarre nature of the remarks that I quoted that it is that Minister's own country that has blocked ratification. I hope that the Foreign Secretary will ram those points home—albeit in a diplomatic style—when he attends the Council in a few days time.

Malcolm Bruce: I am following the right hon. Gentleman's argument closely, but was it not Conservative policy to campaign for a no vote so as to renegotiate a better agreement? Has not France adopted the same approach in an attempt to secure a better deal for itself?

Mr. Hague: The French voted no emphatically, and they no doubt had many reasons for doing so. No doubt, some people were dissatisfied with their Government, and I believe that many felt that they were losing control of their own affairs. We can all believe in a better agreement, but what better agreement is available? For a long time, we have been told that there was no plan B if any country voted no, and no possibility of anything being agreed in place of the original proposals. We shall see from the actions of the European Governments whether that was a correct statement of the position.

Many of us would like better arrangements in Europe, and I shall use the minutes remaining to me to say what I think they should be. However, I believe that three great tensions in respect of the future development and policies of the EU have been thrown into sharp relief by the no vote in France and Holland. Notwithstanding their period of reflection, the Government must be very clear about where they stand on each of those tensions.

The first tension is the one emerging between enlargement and integration. It is said that an EU of the present size cannot be run without much closer integration. There is a danger that people will say that enlargement must pay the price now that integration is not immediately possible. Yet Turkey, Bulgaria and Romania ought to be entitled to join the EU. More than most, they have suffered from disunity in Europe over the centuries. If enlargement is not possible on the current model of how the EU is run, it is time to change that model. The Government must become the advocate of a looser and more flexible Europe, as suggested by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and others over recent years.

The second tension is that between democracy and centralisation. Decisions in a democratic society are taken at the level at which people gladly accept governance at other people's hands, and it is often

obvious what that level should be. For example, we in Yorkshire would not accept that decisions about streetlights should be taken in Lancashire, and heaven forbid that any such thing would ever be proposed in this House.

Equally, it is clear that people in France and Germany—and even more so in the Netherlands—do not want their taxes to be determined in other EU countries, but increasingly that is what is happening. We are meant to have a veto over taxation in the EU, yet some of this year's biggest decisions concerning the tax revenues of this and other EU countries have been taken not in the Treasury, but in the European Court of Justice.

The ECJ uses single-market anti-discrimination rules to expand the powers of the EU in affairs of taxation, and it rules against national laws in between 80 and 90 per cent. of cases. That shows that there is a creeping loss of democracy through the operation of the European Commission and the ECJ. It is time that the Government took a robust approach and said that the European Commission should be stripped of the right to initiate legislation as it is not a democratic body, and that the powers of the ECJ should be curtailed.

We are not going to be able to develop a single European democracy. It is almost 50 years since the foundation of the EEC, but even now the original member countries have not become a common political entity or developed a common political ethos. There is no European polity.

Mr. Mark Hendrick: Is the right hon. Gentleman saying that he no longer believes in the EU and that what he wants is a free trade area, full stop?

Mr. Hague: No, I believe in the European Union, but I wish it to develop in a new way. The opportunity to advocate that new way is now presented to the Government and to the Governments of those countries whose peoples have shown that they are seriously concerned by, and strongly opposed to, the current trends in the European Union.

The third tension is between economic reality and political goals, and the euro is the outstanding example of that. Many of us have patiently explained for a long time that a single currency area created without a true single labour market, or without massive budgetary redistribution within that area—as in the US—will not work effectively. We have been denounced over the years as little Englanders and opponents of progress, but now we see from the comments by German Ministers—and Italian Ministers—which have been well publicised in recent days, the immense pressures that are building up as a result of adopting for political reasons an economic policy that is now destroying the jobs and livelihoods of hundreds of thousands of people across Europe. As unemployment rises in Europe, we await the apology from the people who put the euro in place. When will the problem be recognised by the Government and when will we get the formal abandonment of the now ludicrous notion that it is in this country's interests in principle to join the euro?

Those are the tensions—between enlargement and integration, between democracy and centralisation and between economic reality and political goals. In many ways, the Government have started to speak the right language on some of those subjects, but they will have to be far bolder in what they advocate to win adherents in the rest of Europe, and do something other than fight a rearguard action at a series of European Councils. This weekend, the Government could put us in the vanguard of change, instead of the rearguard on every occasion. From what the Foreign Secretary said, I suspect that the Government will not take that opportunity, and it is a tragedy that they will not.

3.42 pm

Mike Gapes (Ilford, South) (Lab/Co-op): It is a real pleasure to follow the right hon. Member for Richmond, Yorks (Mr. Hague), the former leader of the Conservative party. I recall that in the run-up to the 2001 election, he said that he thought that there should be a referendum on our position in Europe. It is a pity that my right hon. Friends on the Front Bench did not take him up on that.

As a result of the votes in France and the Netherlands, we face a serious crisis in the European Union and there is no getting away from that. The European Union is a magnet not only for economic progress and prosperity, but for democracy and uniting the peoples of the former Soviet Union and of countries that were occupied as a result of the Yalta agreement in a common European home. Those countries now act as a beacon to neighbours further to the south and east, and it would be a disaster if that process were put into reverse—if enlargement were put on hold or we returned to the squabbles and conflicts that made Europe an area of war for much of the first 50 years of the last century.

It was claimed earlier by the hon. Member for Woodspring (Dr. Fox) that it would be inconceivable to have a war in Europe now. People have very short memories. In the Balkans, we still have the potential for conflict and war. If the situation in Kosovo went wrong, the consequences could spill over into neighbours throughout the Balkans. We still have an unresolved historic territorial anomaly in Kaliningrad and we do not yet know how it will be resolved. If the process of Europeanisation does not continue in Turkey, who knows what might happen in 20 or 30 years? There are still issues relating to the break-up of the Ottoman empire and Turkey's relationship with Greece.

It is all very well to assume that because there has been peace for most of us in the continent since 1945 and because there have been fantastic positive changes in central and eastern Europe since 9 November 1989, it will somehow go on for ever. There are still significant minorities in countries that are now members of the European Union of a Russian ethnic background. Such issues have been dealt with calmly so far, and due to the enlargement of the European Union and the fact that we send out signals to the east that there is hope for people in the countries of the former Soviet Union, we have been able to provide the possibility of a peaceful transformation out of the ashes of the former Yugoslavia and the former Soviet Union. However, it would be ridiculous and dangerous to assume that if we get a renewal of nationalism and a breakdown of the European institutions, it still somehow means that Europe will be a continent of peace for all time.

Malcolm Bruce: The hon. Gentleman is the first person today to make the important point about countries that are not members of the European Union. In that context, does he acknowledge that the role of the Council of Europe and the European convention on human rights is increasingly important, and that the European Union cannot deliver peace and democracy to the whole of Europe because we need other agencies, too?

Mike Gapes: That is true, but organisations such as NATO—I am a member of the NATO Parliamentary Assembly—are also important, as is the Organisation for Security and Co-operation in Europe. Surely, as parliamentarians we recognise that we must maintain dialogue to help the process of encouraging good governance, democratisation and human rights protection in the wider Eurasian land mass.

I happen to chair the Westminster Foundation for Democracy, which does important work in several countries. For example, we were involved quite intimately in assisting some of the political forces involved in the changes in Ukraine. We, as a Parliament and a country, can be proud of our work on democracy building, which has been done on an all-party basis since it was established in 1992 by the John Major Government. The work has been carried on by successive Governments and we would be remiss to ignore it.

The Chinese and Indian economic boom and the fantastic impact that globalisation is having have been referred to. I agree that they are not only economic, but inherently political, which was a point made by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). India should be a permanent member of the Security Council as part of the enlargement package. However, we also need a democratic Muslim country on the Security Council because it is important that the UN is not seen as a group of countries that is somehow against the Islamic world.

A similar argument applies to the enlargement of the European Union and Turkey. We could perhaps get a democratic Turkey, with its moderate, Muslim, democratic AK party Government—or their successor if the left win the elections—in the European Union in 20 or 30 years' time, although we are currently talking about only the opening of negotiations to consider the possible terms of accession. However, we should not say as a result of the crisis that we are putting a block on the process. If Turkey is pushed out because the French Government get their way and say that they do not want to let it in, or because the rejection of the constitutional treaty in the Netherlands is blamed on globalisation or the threat of Islam, it will damage the European Union's relations with its Islamic neighbours. We are not only talking about Turkey because although the Mediterranean is clearly a European sea, there is a large number of Arab and Muslim countries on one of its borders.

We must have stable borders and security in our region, and that has implications for the movement of tens of millions of young people who live in countries in north Africa where there is mass unemployment and poverty. It is not just a matter of the economic prosperity of those countries, but of assisting democratic development, good governance, parliamentary institutions and the people of the Arab world. The Euro-Med relationship—the Barcelona dialogue—and other things in which the EU has been involved must continue. That is why the EU cannot just be about economic relationships, a free-trade area and arguments about budgets and agriculture.

Mr. David Heathcoat-Amory (Wells) (Con): As someone who also strongly believes in enlargement, does the hon. Gentleman agree that Turkey is unlikely to be admitted to a tightly integrated union, as foreseen by the European constitution, and is more likely to join a disaggregated and looser association of sovereign states? Surely advocates of enlargement should be against the constitution.

Mike Gapes: I do not think that those two statements follow. I agree that when the time comes for Turkey to be admitted, which will probably be in at least two decades' time, and its accession is on the agenda, we will have to face up to the need to make other arrangements. I assume, however, that intergovernmental conferences will take place between now and then. The current arrangements deal with the accession of the 10 countries that recently joined, plus the planned accession of Romania and Bulgaria in two years' time.

I take the point, however, that the EU as structured is not an efficient way to deal with an enlarged 25-member EU. We need to deal with that not just in terms of subsidiarity, which is correct, the powers of national Parliaments, which I support, and the scrutiny role, but in terms of sheer efficiency and competency in how we deal with things. Anyone who goes to Brussels will see the interpreters in booths and hear them translate different languages from, for example, Greek to Finnish to something else. The sheer cost of that is not an efficient use of resources for any organisation.

There are no easy answers because of national interests. Every country has its own national interest and will fight hard for it. I agree that we need to change the attitude taken. Although I would have voted for and supported the constitutional treaty, the fact that the French and Dutch rejected it gives those of us who believe in Europe, in dialogue, in co-operation and in an outward-looking enlarged EU the historic opportunity to move away from the narrow debate and to get into the wider issues of what Europe stands for and what it represents.

The world in which we live increasingly faces demands for intervention—in terms of pre-emption and prevention, or on a humanitarian basis—to deal with internal conflicts or interstate conflicts. We have to recognise that the EU needs to develop its capability to do more. We have seen developments in co-operation based on our European experience, including the important development of the British-led EUFOR taking over from SFOR in Bosnia. We can do more together. Despite difficulties on other issues, Britain and France can work well on some things, especially in Africa. We have been involved in the conflicts in the Congo, and we are already discussing the enlargement of the African Union's mandate and what support should be given to the AU with regard to Darfur. In some quarters, there have been discussions about how NATO can assist the AU, but the EU, too, could in different ways provide assistance on a more coherent basis to AU regional security structures, to deal with conflict prevention and conflict resolution.

Mr. Drew: My hon. Friend must be aware that there was conflict between NATO and the EU over the airlift to Darfur, which caused considerable difficulty. There is a problem when two organisations overlap. What the people of Darfur want is clarity, not argument.

Mike Gapes: My hon. Friend is right. Turf wars between NATO and the EU do not help anyone. In general, we have avoided such situations, but there is still the potential for them. Some people want to drive the Americans out of our security structure and build an alternative, which is completely unrealistic. Others, who live in the past, believe that we should do nothing unless the United States is in the lead. Neither position is correct. We need to build on what the Government agreed with the French at St. Malo in 1998, so that, incrementally, we can develop effective capabilities for the EU to act when NATO is not engaged. We should call on NATO assets for assistance when the United States itself does not want to participate.

We are doing that slowly and incrementally, but we need to get away from the rhetoric, especially some of the Gaullist rhetoric—a belief in Europe's capability that is not matched in reality by the contributions of the member states. Only the UK and France have forces that could seriously make such a contribution, and until the German Government take seriously their national defence responsibilities and reform their defence structures to move away from the cold war legacy of territorial defences, we shall never, either in western Europe or the EU, have a serious defence capability.

To be fair, the Germans have moved to some extent. They are part of ISAF—the international security assistance force in Afghanistan—where they are playing a positive and leading role. Nevertheless, there is great resistance in Germany, especially on the left, and I hope that German politicians will give the issue further consideration over coming months.

My final point is that we must recognise that what the EU does and says internationally matters. It is important that we ensure that the Doha round succeeds and that the meeting in Hong Kong later this year is successful. We in the EU have a responsibility both through our approach to the third world and the developing world and in our relationship with the group of 22 countries in the negotiations, led by Brazil, India and China. If we are not flexible, there could be no agreement. Similarly, the Americans must move. Their Farm Bill and their attitudes towards some of the farm issues are as bad as the CAP that we criticise.

Together, in western Europe and in Europe as a whole, we can, with the enlarged EU, have a significant voice in those international negotiations. If we revert to narrow nationalism, spending all our time squabbling and fighting, trying to rerun the battles of Agincourt or anywhere else, we shall fail. Failure will not be forgiven by future generations—either in our continent or the rest of the world.

3.59 pm

Rev. Ian Paisley (North Antrim) (DUP): I am sorry that the man who made his maiden speech from across the way has had to leave the House, so I shall reserve what I was going to say about the hon. Member for Belfast, South (Dr. McDonnell) until another occasion. However, 35 years ago, when I first fought to become a Member of Parliament, he was so keen to have a go at me that he signed a nomination form stating that he was 21 when he was only 18. We had a battle royal, and when he was elected he told me, "It took me 35 years to get here, Ian, and I blame you for that."

The right hon. Member for Richmond, Yorks (Mr. Hague) exhorted me not to be loud, but he did exceptionally well and was very loud himself today—he is learning quickly.

The wrangling over the future of Europe has spilled over into a debate on the European budget. The calls by some countries for the United Kingdom to give up its rebate have more to do with certain European Governments beating their breasts after electoral defeat than with the details of European finances. The rebate does not have anything whatsoever to do with the constitution and it was never part of the round of debates on the constitution. If certain Governments and countries are still smarting because the people have rejected their vision of Europe, that is their affliction, and the British people should not be told, "You have to give up something, because we have had a no vote on the constitution."

The pre-eminent view is that the people of the United Kingdom are all for co-operation with the other nations of Europe, but they are against incorporation in a superstate. Having spent 25 years as an MEP watching the European Parliament conduct its business, I know that there is a strong lobby in Europe for a superstate into which we would all be incorporated. I hope that that will never happen, because there are enough large states across the world and we do not want another superior nation to flex its muscles and ask others to take it on.

I firmly believe that the United Kingdom should not renegotiate the European rebate. The Treasury, in response to questions that I tabled, has confirmed that the amount of money per head of population that has left Northern Ireland for Europe is much less than the sum received by Northern Ireland. I was one of a number of MEPs, including John Hume, who secured well-deserved money for a peace programme. However, when I looked across the border, I saw that the southern Government was receiving £6 million a day. To keep my seat, I was supposed to say nothing about it. However fair play is fair play, and the British people should not be told that, because two nations have said no to the constitution, they must look at the rebate. I hope that the British Government stand firm on the rebate. The Prime Minister said that they will, but his resolve is growing a little weaker every day. Knowing from experience in Northern Ireland how weak it might become, I fear for the rebate. I would not put my money on it if I were a betting man, but thank God I am not.

Mr. Cash: It is like the Good Friday agreement.

Rev. Ian Paisley: It is. It will be dead and buried in the Sadducee's grave, which means that it will never be resurrected.

Agriculture is still our largest industry in Northern Ireland and it is vital that it is maintained properly. I have already asked the Foreign Secretary about the fact that, only a few short months ago, we received an undertaking that the common agricultural policy was

[Rev. Ian Paisley]

secure after the mid-term review so the farmers could plan for the future. Now, suddenly, the farming community is asking us what is going to happen. We are alarmed about that. The Government must keep faith with the farming community because farming is in difficulty.

I hear a lot of talk about Poland and the fact that it will be a threat to the farmers of those states that were in the economic Union first. Not many people know that Poland leads the world in the production of strawberries, and is about to take over the raspberry business as well. Before we know it, Poland might take over the carrot business too, and maybe try the spud business, even though Polish farmers did not even know what a spud was. When such countries get their produce on to the market, our farmers will have many more difficulties. We need to face up to that.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I agree with many of the hon. Gentleman's comments. Does he agree that an over-hasty and ill-considered review of the common agricultural policy could put at risk the environment, rural communities and the security of food supply to this country?

Rev. Ian Paisley: The hon. Gentleman is right. We need to take a firm look at the farming difficulties that we will be up against.

Another matter was mentioned eloquently by the hon. Member for Ilford, South (Mike Gapes), who has left the Chamber. He spoke about all the gadgets for interpretation in Europe. I have just discovered that a translation into the Irish language is to be made available. I made some inquiries, which revealed that no Member of the European Parliament in this term or any other term has ever required an Irish translation to participate in the workings of the European Parliament. The translation will cost £3.5 million every year, and there will be 20 to 30 translators translating into Irish for Irish people who never even asked for it.

Where is the money going? We know that a former leader of the Labour party who was a Commissioner was given the solemn responsibility of trying to deal with fraud. What happened? The departments working on European strategy were responsible for much fraud and would not co-operate with him. A Commissioner appointed to deal with fraud came back and said that he could not do it, not because of one party or another, but because of the organisation itself.

The food supplements directive, which is due to come into force in July, has had an interesting history. In the past, assurances were given by Ministers and Governments, then the matter was referred to the advocate general, the senior adviser to the European Court of Justice. He found that the entire food supplements directive was invalid under European law. He declared that it infringed the principle of proportionality because basic principles of Community law such as the requirements of legal protection, legal certainty and sound administration had not properly been taken into account. It is expected that the European Court of Justice will rule in favour of this pronouncement, so the ban on vitamins and minerals that are not included on the EU positive list, which is due to come into effect on 1 August, will be declared illegal. In essence, the positive list of allowable nutrient forms will be deemed too narrow, too restrictive and as being based on flawed science. What are we to do about that?

Those are the difficulties that we have with Europe. The directive would put at risk more than 5,000 products on the shelves, including the main natural forms of vitamin E, several forms of vitamin C, the key natural form of folic acid and a range of minerals. That is a very serious matter.

I trust that the Minister will take up such issues that affect the well-being of our people. I trust that we will not be incorporated into this Union, and that we will show that we are European in the sense that we want co-operation with everyone and to make our contribution to the combination of people who want to go to places where they feel that they can work together and do a job, but that we do not want to lose the best things of our national life. We want to retain those.

4.11 pm

Keith Vaz (Leicester, East) (Lab): Debates that precede European Council meetings are normally quiet affairs, but the result of the French referendum has made the European issue and the discussion on Europe central to this Government's foreign policy. I welcome the fact that so many speeches this afternoon have not just touched on what happened in the French and Dutch referendums, but have looked forward to Europe's future.

As the Prime Minister, the Foreign Secretary and the Minister for Europe prepare for a very important European Council meeting, they can take direction from our discussions this afternoon. Obviously, we have had the usual tour de force from the right hon. Member for Richmond, Yorks (Mr. Hague), although the luxury of Opposition is that one can make scintillating speeches with many jokes, normally directed at the Government Benches, but not have to follow through on any of the things that one has said.

We also had the maiden speech of the hon. Member for Belfast, South (Dr. McDonnell), who said that he prefers to be in Belfast than in the House of Commons, and has no doubt gone back there. I pay tribute to the former Member for Belfast, South, Martin Smyth, who was for many years the treasurer of the Indo-British parliamentary group, even though, as far as I am aware, he had nobody of Indian origin in his constituency. He was forceful in his contribution to the group and I wish him well in his career.

The central issue that will face the Prime Minister, the Foreign Secretary and the Minister for Europe this weekend is of course how to deal with the aftermath of the constitution. What we have heard from Conservative Members—not Liberal Democrat Members, as the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) spoke eloquently as usual, looking forward and not back—has been a rehearsal of the arguments made over the past few months about the European constitution. The Government's position is clear and I believe absolutely correct. As France and the Netherlands—two founding members of the EU—have voted so decisively against the constitution, it is now time

for Europe to pause and reflect. It is now time for us to put back our timetable for a referendum on the constitution and to assess what impact the referendum results will have on European policy.

I happen to believe that there is not going to be a referendum in the United Kingdom on the European constitution, because the effect of France and the Netherlands deciding not to proceed will be that other countries will decide not to go ahead as well. A number of other countries have already indicated that they would prefer not to hold referendums and not to ratify the treaty until the detail has been examined as a result of the French and Dutch decisions. I would not be upset if the Government were to decide to put off the referendum for ever, because I was not one of those who believed that a referendum was necessary. Those major issues could have been decided by the House of the Commons in the same way as they were decided in Germany by the German Parliament. There is no need to put the matter to the British electorate, because the Government were elected with a clear mandate to support the changes in the constitution.

Conservative Members dwelled on the content of the constitution, and the fact that their speeches have been based on the substance of a constitution that cannot proceed shows the difficulties with Conservative party European policy.

Mr. Cash *rose—*

Keith Vaz: I gladly give way to the hon. Gentleman, because he is consistent in his opposition to Europe—he is one of those people who strongly believes that Britain should actually withdraw from the EU.

Mr. Cash: I agree with the hon. Gentleman's remark about concentrating on the constitution. We should discuss the existing treaties embedded in the constitution, because they have given rise to all the problems. The constitution would have repealed and revoked existing treaties, so, following a rejection, the existing treaties should be revised and rejected, too.

Keith Vaz: At least the hon. Gentleman's views are consistent. The difficulty for Conservative Front Benchers is the inconsistent development of their European policy, of which we have recently seen an example. Last week, the hon. Member for Woodspring (Dr. Fox) told us at the Dispatch Box that the Single European Act should be unpicked. Today, he told the House that there should have been a referendum on the Maastricht treaty, which is a position that I am sure that the hon. Member for Stone (Mr. Cash) would support. However, the current Conservative party chairman signed that treaty, which shows the problems with Conservative party policy.

The Minister for Europe should leave it to other countries to make their own decisions on ratification. One cannot complain, as the hon. Member for Woodspring did, that Europe has become so centralised that Brussels makes all the decisions, while arguing that we should tell countries that have not decided on ratification what they should do. It must be up to those countries to make their own decisions.

Britain's rebate, which has made the negotiations so exciting, is the second key issue that will be discussed in the European Council this weekend, and, again, the British Government's position is absolutely correct. At the 2002 summit meeting, all the Heads of Government reached an agreement on the rebate, so there is absolutely no reason why we should enter into discussions or negotiations. If the rebate were tied to a fundamental review of how the European Union budget is constructed, the issue would be different, but the short period before the discussions in Brussels at the weekend does not allow sufficient scope for such a review.

We should maintain our position, which we adopted a long time ago and which was agreed by member states as far back as 2002, that the rebate remains intact. It should remain intact for the reason mentioned by all hon. Members who have contributed to this afternoon's debate: the inherent unfairness of the common agricultural policy means that 40 per cent. of expenditure goes on 5 per cent. of the population. It does not serve the British people's interests and British farmers' interests for the agricultural budget to continue on that basis, and the Government should continue with their policy.

It is very unusual for the Eurosceptic media to support the Government's position. Normally, no matter what is decided at European Council meetings and no matter whether it is in the best interests of the British people, those sections of the media who do not like the EU always criticise it. At the moment, of course, they are firmly on the Government's side because they believe that the stand that we have taken is the right one—that it is positive and results in the rest of Europe being on the other side. Despite the fact that the Government have the support of the leader writers, Mr. Trevor Kavanagh and all the other people in the Eurosceptic media, we should proceed along this course of action, because if we were to give in at this stage it would create enormous problems for the way in which we wish to continue with our discussions on the budget.

An essential part of our discussions on the CAP must also relate to economic reform. In just fourteen days' time, we will take over the presidency of the European Union. It is important that we take up the challenge of the vacuum that currently exists and provide leadership to the rest of Europe. That means pushing forward with the Lisbon agenda. Lisbon was different because, for the first time, we had a series of benchmarks against which all European countries were to be measured. The Kok report, which was published at the end of last year, gives us, for the first time, a scorecard that sets out exactly what each country has achieved as regards the Lisbon benchmarks. In some areas, we are doing very well because of the stewardship of the economy by my right hon. Friend the Chancellor. We are doing well on the liberalisation of utilities, but we are doing badly on social protection.

The difference between Lisbon and all the other summits before it and since is that those economic indicators have been vital in relation to the progress of the European economy. This is not about the euro. The right hon. Member for Richmond, Yorks was keen to suggest that the reason why the German economy is going badly and that we are doing well is that we are not in the euro and the Germans are. There is no wavering, in my view—perhaps the Minister can confirm this when he winds up—in the Government's commitment to join the single currency. Our principled position, which was set out in our manifesto at three successive elections, is

[Keith Vaz]

that as a Government we are in favour of the euro but in practice will join only if the economic tests that have been set by the Chancellor are met. That remains our position, and it is the position that we have had since 1997. The right hon. Member for Richmond, Yorks is annoyed because in 1997, when the Labour Government were elected, he wanted to save the pound, and got on the back of a lorry and went round the country to do so. Then the Prime Minister announced that the pound was saved, and the Conservatives' cause célèbre was taken away from them, as is the case with the constitution.

The fact remains that we have to meet the benchmarks that have been set by the Chancellor. We have not met them. As soon as they are met, we will put this in a referendum to the British people, who will thereby have a chance to make the decision themselves.

Kelvin Hopkins: I am pleased to participate in this debate with my hon. Friend. During the election campaign, the Prime Minister said that he does not expect a referendum on the euro in this Parliament but there might be one in a future Parliament.

Keith Vaz: If the conditions are met and the Chancellor announces that we have met the tests that he clearly set out in 1997, we will have a referendum. If the tests are not met—it is a matter for the Chancellor—we will not have a referendum. There is a danger in trying to see too far into the future. These are issues of fact that have to be reported to the House before a decision is made.

My hon. Friend the Member for Normanton (Ed Balls) observed in a thoughtful article in the *Financial Times* this week that the danger that we face in the forthcoming European Council meeting and in terms of the priorities for our presidency is that we may get so hung up on constitutional reform that we forget about the need to push forward the economic reform agenda. Without adopting the policies that were clearly set out by the Heads of Government at Lisbon in 2000, we cannot achieve the economic reforms that are necessary for us to do what all right hon. and hon. Members would like Britain in Europe to do—that is, to compete on equal terms with the United States of America.

I know that India and China have been suggested as global competitors for the United Kingdom and Europe in future but, at the moment, our biggest competitor is the United States of America. In the past 10 years, 10 million jobs were created in the USA compared with 1 million in the EU area. It is therefore vital that, in all the discussions, even those on the rebate and the constitution, we do not lose sight of one of the Government's key priorities—pushing forward the Lisbon agenda.

As we begin considering what we will do in our presidency, I hope that we will acknowledge the genuine and important progress that has been made under Tampere and The Hague agenda. The hon. Member for Woodspring complained about the appointment of the single prosecutor for the whole of Europe, but several important aspects of the justice and home affairs agenda will help British people—for example, the mutual recognition of decisions taken by courts. British citizens who go abroad and want to sue in a EU court find it difficult to get the judgment enforced. We are considering critical issues that, although not global, affect our citizens when they travel to other EU countries.

I appreciate that people do not want to be reminded of statistics because they believe that they are simply mantras spoken by pro-Europeans. However, eight of our top 10 trading partners are members of the EU. Of course, there is a world outside and, as a trading nation, we have to trade with nations outside the EU. However, our trade is based on that with EU countries and we need to ensure that that is enhanced and developed. Lisbon is important, but, as we move forward, we need to examine other matters on which we can co-operate.

I am not in favour of a single judicial system, but I support the exercising of our judgments in different parts of the EU. Switzerland voted only last week to ensure that its citizens joined Schengen. The Swiss people have decided that they want better and closer links with the EU because they realise what happens when one is not part of it or takes only some of the benefits that are on offer: one suffers not only economically but in terms of missed benefits for the people of the country.

I listened carefully to the comments of the leader of the Democratic Unionists about the Poles being after our strawberries and, indeed, our raspberries, but enlargement has hugely benefited our country and the whole EU. It is worth remembering that Conservative Front-Benchers predicted mayhem when the 10 new countries joined on 1 May 2004. They claimed that Poles and Slovaks would rush to London, take our jobs, benefits, strawberries and raspberries and cause chaos in the UK. They said that the Home Office would be inundated with applications. That did not happen. Enlargement has been good for the UK and the EU. Few people have gone on benefits. I therefore hope that Ministers will remember to push forward the enlargement agenda because it benefits not only the EU but the other countries that will join.

I wish all the Ministers well for one of the most important European Council meetings for many years.

4.28 pm

Mr. Andrew Pelling (Croydon, Central) (Con): Thank you, Madam Deputy Speaker, for allowing me to make my maiden speech.

It is a great privilege to follow the hon. Member for Leicester, East (Keith Vaz) with all his expertise on European matters. I shall stick more carefully to the parameters of a maiden speech. One of my illustrious predecessors, the former Speaker Jack Weatherill, once said:

> "A good speech will not be remembered; a bad speech will not be forgotten—or forgiven."

I hope that the speech that I deliver this afternoon will be speedily forgotten.

Certainly, one thing that I do not forget is just how conscientious Jack Weatherill was as a Member of Parliament. I remember being summoned to the Speaker's House when I was chairman of the education committee in Croydon, to negotiate with people who were unhappy about a new city technology college that

was to be introduced in the London borough of Croydon. It was certainly Jack's style to bring people together, and he was most conscientious in pursuing constituents' concerns and always writing back, in green ink, with a personal note. That is the style of constituency Member to which I would like to aspire.

I am sure, however, that I have made more mistakes in the House in a few weeks than Jack ever would have made. The conviviality and friendliness of the House, however, ensures that such mistakes are easily forgiven. As a new Member of Parliament, I have been most impressed that the House's supposed reputation for not welcoming new Members is entirely untrue.

The way in which Officers of the House have inducted new Members has impressed me a great deal. I learned that it is important to be careful about where one goes and what one says. During one of the induction procedures in which we were shown around the House, and shown how Members put marks on the back of their seats in the Chamber to reserve a seat at Prayers, I made the mistake of referring to Germans and towels. Unfortunately, another Member's partner happened to say, in a Germanic accent, "What is this about Germans and towels?"

It will also disturb the Whips Office to hear that I found myself sitting in a hot desk area reserved for Labour Members. Only when I heard a large number of Scottish accents, and reflected that there were probably not many Conservative Members elected to the House who had Scottish accents, did I realise that I was in a Labour party room.

Before I talk about Croydon, I would like to refer to my predecessor, Geraint Davies, who was both a diligent local councillor and Member of Parliament for Croydon, Central. He took a particular interest in the provision of healthy food for school children and the damage to our local environment, including the loss of many birds, which is an important issue in our locality. Obviously, I am delighted to be elected to the House, albeit with a majority of only 75 votes. I am sure, however, that that is mirrored by the disquiet and upset that Geraint must face, having lost by only 75 votes. I wish him the very best in his future career, and no doubt he will return to the House—not at my expense, I hope. Croydon has a history of close election results. John Moore had a majority of 164 votes, and the hon. Member for Walsall, North (Mr. Winnick), back in 1966, had a majority in Croydon, South of just 81 votes.

It is a great privilege to represent the town in which one was raised and educated. I am a councillor of 23 years' standing in Croydon, and know very well how important the expansion of the European Union is to Croydon in terms of the businesses pursued. Businesses have been particularly keen to look for opportunities in the Czech republic and Poland, and Croydon already has a substantial Polish community. It is important that Europe is a free trading community, with Nestlé having its headquarters in Croydon.

It is also important that Croydon as a town has looked out to other European cities that are at the edge of metropolitan communities—so-called edge cities—to try to share experiences. Towns such as Croydon, which have seen significant changes, not necessarily to our advantage, in our social, demographic make-up, face many challenges in terms of serving the needs of our community.

Also with a European theme, it is fair to say that we welcome to our town many eastern Europeans from beyond European Union borders. I was very pleased when I attended a recent Turkish-Kurdish event to find many from those communities, when they welcomed me to speak, chanting, "Croydon! Croydon!". No one had ever chanted "Croydon! Croydon!" like that before, but it is a sign of how migrants to Croydon have identified very quickly and positively with that community. It is important, I feel, to reach out to all communities, and I am so pleased that the al-Khair school, which is based in Croydon, Central, has also been successful. A real example of a great success from Croydon and a way that one can prove it is important to welcome migrants to our shores is the story of Katie Melua, who came from Georgia and was educated in Croydon at the BRIT school.

There are many businesses—28,000 in all—in Croydon, which reach out across Europe and seek to export their services and products, but what is important to them is how we can reach and transport ourselves around a congested town. Thus, it is very good news that Croydon is likely to be connected to the London underground's East London line and possible that the successful Croydon tram link will be extended to Crystal Palace. Also, in the constituency of my hon. Friend the Member for Croydon, South (Richard Ottaway), a bypass is being built around Coulsdon. I am grateful to my hon. Friend for supporting the home team by being here with me this afternoon.

Croydon is also an important retail centre. Indeed, its retail centre dates back to the Surrey street market founded in the 13th century, although people can shop until they drop at many other places, such as the Whitgift centre, the Drummond centre and the new Centrale centre. But Croydon is not just retail heaven. Indeed, we compete with other important centres when it comes to culture. The creation of the Croydon Film Commission—which competes with Prague for sites for films and, in particular, adverts—is important because we can provide not only 1960s brutalist chic through our skyscrapers, but many attractive heritage items and open spaces.

Croydon's name comes from a Saxon word meaning saffron valley or, perhaps less flatteringly, crooked valley. One of our many open spaces was promoted by James I in terms of starting racing in Croydon in the Ashburton area, but unfortunately the Croydon race course was closed in the late 19th century by a mayor of Croydon because of all the undesirables who came to it. I guess the modern equivalent is the many undesirables who frequent the centre of Croydon while using our night-time economy.

Another open space in Croydon was Fairfield, which is now the site of the important Fairfield halls. Many people have been there to see many good performers, but a particularly important musician who is an export of Croydon is David Bowie. We have other important exports, such as David Prowse, who played Darth Vader in "Star Wars", and Derren Brown, the famous mind-reading TV star.

I doubt very much, Madam Deputy Leader, whether—I am sorry, Madam Deputy Speaker. My local government background has leaked out. I doubt very much whether I will be able to display such persuasive, mind-reading skills in the House, but I very

[Mr. Andrew Pelling]

much hope that I will be persuasive to some extent on behalf of my constituents in Croydon and put Croydon first.

4.39 pm

Mr. David Drew (Stroud) (Lab/Co-op): It is a pleasure to follow the maiden speech of the hon. Member for Croydon, Central (Mr. Pelling). I am not sure that he has persuaded me to go on a weekend break to Croydon instead of Prague, but he has done a good job in persuading me that it is at least worth thinking about. His predecessors have clearly served the constituency with some distinction, and it is good to see Jack Weatherill in the other place.

It is a pleasure to speak in this debate. I had hoped to speak in last week's earlier incarnation of it, but I was at least able to hear the speeches of the various Front Benchers, so I had some forewarning of what we were likely to hear today. Interestingly, in his opening remarks during that debate, the hon. Member for Woodspring (Dr. Fox) came as close as any Conservative Member has yet come to saying that if the Single European Act were debated today, the Conservatives would be much warier of enshrining it in statute. From my perspective, that is a jolly good move—albeit not far enough—in the right direction. If we get an apology for Maastricht as well, we can begin to think much harder about the Europe that some of us on the Labour Benches would like to see.

There are those who are still disposed to believe that there is yet some hope in the Euro project, but for some of us the reality is that the European constitution is dead—not long live the constitution! When I intervened on the Liberal Democrat spokesman, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), I managed to elicit the fact that the hon. Member for North Devon (Nick Harvey) might not be quite so lonely in future, if early-day motion 318 is to be taken at face value. It is good to see some Eurosceptics in all parts of this House, and not just on the Labour and Conservative Benches.

So a seismic shift has taken place in the past fortnight, and anyone who pretends otherwise is being optimistic, naïve or oblivious to the reality of what is happening. That shift may have been led by the French and the Dutch, but it is the people of the whole of Europe who have spoken. They have completely ripped up the Euro project, and they want a very different sort of Europe to be taken forward. The reasons for that can be interpreted in many different ways, but I like to think that my favourite economist, Anatole Kaletsky, put his finger on it in a series of articles in which, in simple terms, he took the view that, "It's the euro, stupid, what done it." Trying to force together all the various currencies has created great resentment among the peoples of Europe. In his article of 9 June, he drew parallels between the no votes in France and Holland and our own, in a sense voluntary expulsion from the exchange rate mechanism in the early 1990s. Perhaps those votes will prove to have the same value.

I make no apology for saying that in my view, the days of the euro are numbered. Not only will nation states not want to join the eurozone, which we have wisely decided to stay outside; it will collapse from within because of the completely daft policies that have been introduced on the basis that such a currency union can be achieved. The reality, however, is that it will not work.

The growth and stability pact is what is really doing the damage. At the very time when we need to grow the economies of Europe to deal with increasing worries about employment and all that comes on the back of that, we have a pact that insists on the opposite. That is why countries such as Germany, France and indeed Italy are either trying to cheat on the pact and gain more economic freedom and flexibility or, more particularly, are trying to live in denial and pretend that they can get away with it regardless.

We are not talking just about economics in the pure sense, though. This is not just about some economists playing with various theories; it is about the direction in which the European project was going. Worryingly, we have learnt nothing from the destruction of manufacturing on the mainland of Europe, followed, I dare say, by our destruction of it here. Under the Bolkestein directive, we have been moving towards the disruption of public services as well in the mad pursuit of even more privatisation. We must wonder whether we have learnt anything from what has been going on. If we followed the same route as the rest of Europe, we would have even more unemployment and a further detachment and disengagement of the European peoples. We hope there will be an opportunity for us to think again about what is happening. Perhaps countries will start listening to their people, rather than trying to believe that it is the people who are out of touch and what they really want is more and more euro-centralisation.

I have been playing a game with the Table Office, trying to find out whether it is possible to ask the Treasury whether it has carried out analysis to establish what will happen if the eurozone breaks up. Could the lira be recreated? Perhaps in the interim prices could be quoted in pounds; a stable currency might be more desirable than the euro in its current state, which is causing all sorts of problems. I tried to table a question to that effect, but it was not allowed. Sadly, it seems that it is not possible to work on the basis of supposition, although according to Kaletsky and Larry Elliott of *The Guardian*, the other economist who appears to know what he is talking about, the situation is becoming daily more realistic and less a matter of pure speculation.

It is not just a question of economics, however. It is also about what else the European project implies. There is a political and social argument that needs to be had. Sadly, because of the various defeats faced by my party during the 1980s and 1990s, we were somewhat seduced by the views of Jacques Delors 17 years ago, when he made a memorable speech to the Trades Union Congress. Much of what he said was laudable; the problem was that people saw all the answers in terms of ratcheting us even further towards—linking us even more directly to—everything European. There were good things that we could take from the EU, but there were also bad things that we should avoid.

Kelvin Hopkins *rose—*

Mr. Drew: I give way to my hon. and thoughtful Friend.

Kelvin Hopkins: I agree with everything that my hon. Friend is saying. Does he agree that the reason the labour movement and the trade unions ran for cover was that Jacques Delors was promoting the idea of a social Europe, not a neo-liberal Europe? The reverse is now true: the trade unions are running away from Europe because of neo-liberalism.

Mr. Drew: My hon. Friend has obviously read my speech, which is not surprising because we come from the same school of thought. That is exactly it. We thought that we were getting, dare I say, a social Europe. Some of us were even persuaded that we were getting a socialist Europe. Of course, we were getting anything but that: we were getting a neo-liberal Europe, and we continued to move in that direction until the countries—rightly, in terms of their populations—began to smell a rat and began to reject it out of hand.

These arguments have been debated and will continue to be debated. As my hon. Friend the Member for Luton, North (Kelvin Hopkins) rightly said, the trade unions are now beginning to realign themselves, with union after union moving gradually, if not from a sycophantic position on Europe, through a more sceptical position towards one of almost downright hostility. I welcome that; we need to have that debate.

I am not arguing the case for busting up the EU; we need to change it. We need to change our thinking on the EU and advance new ideas. A political and social argument needs to be conducted on the left, as well as, dare I say it, on the right. It seems that the right have got their position together. It could be argued that they went through a dark period during which they were too friendly towards the centralising tendencies of the EU, but they now appear to be clearer in their perspective than some on the left. The left will, I hope, respond in due course. If not, they risk being completely out of touch with their own people.

I welcome the fact that the constitution is dead. I welcome the fact that there will have to be a clear realignment of thinking on the left, as well as on the right, and I like to think that some of issues that we have debated today are relevant to it. I am not going to go over the same ground in detail, but in this day and age, I cannot understand how anyone who believes in justice in the wider world could support the common agricultural policy. Irrespective of its impact on producers and consumers here, that policy is bereft of any moral justification in respect of its impact on the less developed world. We have to put our hands up about that. We need to understand that some producers—not only in this country, but in France and Germany where the CAP has been part of a protectionist rump—face tougher times ahead. I do not want further neo-liberalism, but the re-establishment of local food chains through which producers can have greater say over what consumers really want. That can now begin to happen.

Mr. Roger Williams: Does the hon. Gentleman agree that the mid-term review of the common agricultural policy has done much to take incentives away from production, thereby improving the position of third-world producers?

Mr. Drew: I am not sure that I do agree. Although the CAP has done things differently in different periods of history, I believe that its operation has done immense damage. The sugar regime, for example, has inflicted enormous damage on third-world countries, which has not done much to justify the case for the continuance of the CAP.

We need to rethink the best way for Europe to proceed. There are Europeans in my party and, as in other parties, there are friendly disagreements about how best to take Europe forward. We need to have a proper debate about that and it is wrong to give the public the impression that there is uniformity in the Labour party about the European project. There are some benefits from European social arrangements, such as the charter of fundamental rights, but it is desperately dangerous to buy into Europe wholesale because of the neo-liberal aspects, which might lead to further deterioration in our industries and harm our labour relations. We have a strong history of collective bargaining in this country, which is alien to the European model. There are dangers in viewing European social engagement as an alternative, as it might further weaken the structures of our trade unions and our labour relations. We need to think hard about that problem.

There is a way forward. Some of us belong to a new cross-party grouping called the Centre for a Social Europe. My hon. Friend the Member for Luton, North is one of its founding fathers, and we have a rather good photograph of the new hero of the Labour Back Benches, my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), who is the leading proponent of a new approach to Europe.

Those of us who are members of that cross-party group will make our point of view clear, and we do not apologise for saying that our approach is somewhat different from the one adopted by the Government and the Labour mainstream. However, we hope to be a growing influence. We will engage with people from all parties to state our desire for a decentralised Europe and our belief that an attack on neo-liberalism is long overdue.

In conclusion, I repeat that it is important for both left and right to produce a rationale in respect of how we take Europe forward. I believe that we should aim for a very different sort of Europe, one that is entirely at odds with what has happened over the past 10 to 15 years. I am sure that we will enjoy putting across our point of view in debates like this in the future.

4.55 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a pleasure to follow the hon. Member for Stroud (Mr. Drew), who made a characteristically sceptical and thoughtful speech. That took some courage and, although I do not necessarily agree with his policy prescriptions, I do agree that it is important that, where possible, decisions about matters such as the extent of our economic liberalism should be taken democratically, by this House, and then opened to change and revision by the electorate.

Enthusiasts for the European constitution have tried to play down the importance of the results of the referendums in France and Holland by arguing that many of those who voted no did so for reasons not directly related to the constitution. My simple point is that people voted no because the treaty's advocates

[Mr. Peter Lilley]

could not produce convincing and positive reasons for voting yes. They were unable to do that because there are no convincing reasons for voting yes that appeal to the ordinary populations of Europe. Without a good reason to vote yes, people had every freedom to vote no. They may have done so for trivial reasons but, had there been a positive reason to vote yes, they would have set aside domestic and unrelated factors and voted for the treaty.

In the absence of positive reasons to vote yes, the treaty's supporters came up with all sorts of negative reasons and threats, ranging from the vague and incredible to the insulting and absurd. For example, they said that voting no would mean a loss of influence, and that investment would be repelled. At the insulting and absurd end of the spectrum, people in Holland were told by that country's European Affairs Minister that a no vote would mean a return to the holocaust and the gas chamber. Other treaty enthusiasts in both France and Holland said that a no vote would open up the prospect of war and an end to peace. Happily, the peoples of both countries realised that those were insulting and absurd arguments and gave them no credence.

Those who supported the European constitution made clear its appeal to the elites. They believed that it would make it easier to take decisions centrally and override the objections of member states. However, that was precisely what did not appeal to the electorates in France and Holland.

Constitution enthusiasts have a second excuse to explain why we should disregard the no votes returned in France and Holland. They say that different arguments against the constitution were used in those countries, which conflict with the no arguments presented in this country. They add that that incompatibility and inconsistency means that both arguments cannot be right. However, I believe that they can both be right, because the treaty offered a one-size-fits-all constitution that would have imposed one-size-fits-all policies on member countries. If only one size of suit was available in the shops, it would be tight on my hon. Friend the Member for North Essex (Mr. Jenkin) in some places and tight on the hon. Member for Cambridge (David Howarth) in others. The imposition of one-size-fits-all policies would have been facilitated by the European constitution, and it was that to which the people in Holland and France objected.

An hon. Member earlier complained about a resurgence of Gaullism. I remember when General de Gaulle stood up for the rights of France and French sovereignty against the combined establishment in France. He bemoaned the fact that the media were against him, the unions were against him, the patronat was against him, the Church was against him and the intelligentsia were against him. He said, in his sardonic fashion, "Only the people of France are on my side." We are now in the unique position that the people of France and Holland are on our side. They share with us a desire to have fewer centralising, one size fits all policies imposed on us.

We should seize this opportunity to try to change the agenda from one that accepts that there has to be a ratchet—with the only direction being the transfer of power from member states to the European institutions—to one that accepts that there can be some return traffic. We should actively seek with our partners in Europe to ask what powers have been unnecessarily transferred to European institutions that could be repatriated to the member states to allow them to take decisions and tailor policies to their own needs. That is clearly what lies behind the malaise in Europe and it is an opportunity for us to seize the agenda. Sadly, although we may have the people of France and Holland on our side, we do not seem to have our Government on our side, and that is most regrettable.

On the subject of one-size-fits-all policies, I come to the rebate, which was designed to correct the adverse consequences of a one-size-fits-all financing mechanism. We call it a rebate, but it is well described in the relevant European document:

"The United Kingdom shall be granted a correction in respect of budgetary imbalances."

As the "Oxford English Dictionary" says, a correction is a change that puts right something that was wrong. That is what the rebate does and it is right therefore that it should be maintained.

To obtain the rebate, Margaret Thatcher had to obtain unanimous approval for a change, which was very difficult, but she succeeded because she argued persuasively that a wrong needed to be corrected. However, the present Prime Minister has reversed the situation so that member states are unanimously against the rebate. Fortunately, one veto can maintain the status quo. Unfortunately, he has invited pressure by moving from saying that the rebate was not negotiable to saying that we would not negotiate it away entirely. He indicated clearly that he was in the market for altering the rebate's terms and conditions, thus reducing its value. That is a sad and dangerous step, which has made his life more difficult and will make it more difficult to uphold the correction mechanism in future.

I hope that the Prime Minister will manage to do so, but he will have to regain control of the agenda. He should ask the French for their explanation of what happened in the referendum and what we do next. We should also follow the French, who have ruled out firmly and adamantly any discussion of their benefits from the agricultural policy, by firmly and adamantly refusing to discuss the correction mechanism and the British rebate. If he does so, we can uphold our position. It is necessary to have a Government who recognise that different countries have different interests. Britain has different interests from countries on the continent—perhaps more than any other. It has different structures and ways of doing things that must be accommodated.

I was first elected in the same year as the Prime Minister. He was elected on a pledge to leave the Common Market, but unlike him I have always been, and remain, an unwavering supporter of British membership of the European Community. However, I understand the concerns of Dutch, French and British voters that the ratchet mechanism that allows transfers of power and the one-size-fits-all approach to policy making are not acceptable and have gone far enough, if not too far. We should look in the opposite direction, return powers to the United Kingdom where possible and allow greater diversity and the tailoring of policies to the needs of individual countries, not least our own.

5.6 pm

Kelvin Hopkins (Luton, North) (Lab): I am pleased to follow my near neighbour, the right hon. Member for Hitchin and Harpenden (Mr. Lilley). I agreed with much of what he said, although I disagreed here and there. There is a consensus among hon. Members of all parties—even, perhaps, including one or two Liberal Democrat Members—that we need a different Europe.

Harold Wilson suggested that a week in politics is a long time. It certainly seems like a long time since our last debate on Europe a week ago because a lot has happened. Could we have believed that there would have been such a serious falling out between the Prime Minister of Britain and the President of France, between the Prime Minister and the Chancellor of Germany, or even between the Prime Minister and his erstwhile friend Peter Mandelson, who has said that we should not use our Thatcherite handbag in Europe? Such events initially sound amusing, but they are rather worrying because we want to build a future Europe that is friendly and in which we can co-operate with our neighbours. It is a sad irony that the European Union was ostensibly designed to ensure that there was not war between the nations of Europe, yet it is currently creating friction between member states. I believe that that is happening because of inherent faults in the arrangements of the European Union.

It is also said that nothing happens for years in politics, but then the world changes in a day. The day of the French referendum was such a day. Europe looked different after the referendum, so the day will be referred to again and again as a remarkable point in history. The no votes show that there has been a profound psychological shift in the attitude of the peoples of Europe to the European Union. Working people and socialists, especially, have rejected liberalisation. The banners of the people marching in the streets showed that their decision was about liberalisation. They did not want a liberal Europe and neither do I. They wanted to retain the social democracy of post-war Europe that worked so well and gave full employment, redistributive taxation, properly funded welfare states and public services, a degree of public ownership of essential utilities and a more equal and fairer world than that which went before. That was a world that worked, but we have started to give it away due to the European Union's arrangements—or has it been undermined?

There has been a drive to impose a supernatural—I mean supranational—neo-liberal construct and to dismantle post-war social democracy, but the working people of Europe are rejecting it. That rejection happened first in Sweden because the Swedes were extremely well informed and, after many months of thorough debate, they voted no to membership of the euro. I am a board member of the Centre for Social Europe. We have many colleagues with similar views in other countries and met Swedes who were involved in the campaign. It was very much the left, the trade unions and working people who voted no in that referendum. The same was true of the recent referendums in France and Holland, and if we had a referendum in Britain, working people would naturally vote along with Labour and Conservative Members who support the no campaign. Clearly, there will be no referendum because there would be a massive vote against the constitution.

We have heard many interesting speeches, but the right hon. Member for Richmond, Yorks (Mr. Hague) made an especially fine, trenchant contribution. I agree with much of what he said. He rightly congratulated the Foreign Secretary on persuading the Prime Minister to have a referendum. I do not want to claim too much for myself, but I tabled the first early-day motion, signed by many Labour Members, that called for a referendum. I should, perhaps, have a small footnote somewhere.

We have to consider what has happened. The European Union has been failing because there has been slow growth in major countries and economic contraction in some, particularly in big countries such as Germany, Italy and France. The economic model is clearly not working. The growth and stability pact has been shot full of holes and is being ignored. We have had dead as a dodo, dead parrots, and now a dead duck. So the birds are all dead, whatever they are. The growth and stability pact has caused difficulties and it is right that it is ignored.

There is a possibility of the euro unravelling in Italy and Germany in particular. People in Italy are gathering signatures for a referendum on whether they should leave the euro. It will not be difficult for them to get the 500,000 signatures they need. Behind the scenes, the Germans have been discussing how they could or would leave the euro. There is a prospect of the whole euro arrangement unravelling. There is certainly no prospect of any member state joining the euro at this stage. It would be daft to join an arrangement that is so shaky and performing so badly. We are obviously not thinking of that for the foreseeable future.

The budget is also in crisis. The problem is not just the UK rebate, but the whole common agricultural policy. I have called many times for the CAP to be abolished. The presidency gives us the opportunity to have a serious debate on the future of the European budget. As I said last week, when Ministers go to the Council meeting they should say, "If you want to talk about our rebate, let us discuss the whole CAP", because it is the CAP that brings about the necessity for a rebate. If there is no CAP, we do not need a rebate.

Let us suggest how we might return to an arrangement under which individual member states have their own agricultural policy and can choose to subsidise, or not, their agricultural sectors. We could easily subsidise our agricultural sector as we chose in appropriate ways. I always mention Welsh hill farmers. We want to preserve certain traditional farming areas and their local cultures. There is no reason why we should not do that. It would not cost that much—certainly not as much as our contribution to the European budget.

Other aspects of the budget do not work either. Structural funding will be withdrawn from Britain. Many poorer countries are coming into the EU and money should be directed towards them rather than us. We believe and hope that Ministers have committed themselves to substituting state national funding for EU regional and structural funding so that we get the funding that we have lost. That means, however, that we have another net loss in the EU budget contribution.

On international aid, the Department for International Development has said many times—I have spoken to Ministers privately and in European

[Kelvin Hopkins]

Standing Committee B—that it is not happy about the international aid that is channelled through the EU because it is spent inefficiently, there is corruption, and it is not well targeted. Yet DFID has a justified good reputation for directing aid efficiently, fairly and transparently to the poorest nations, where it is most needed. Let us give aid through DFID rather than through the EU.

If we remove the CAP, structural funding and international aid, not much of the budget is left. However, as I said last week, if we do have a budget, let us have one that redistributes money to the EU countries that need it. Let us have contributions according to ability to pay and receipts according to need. If Slovakia is poor and we are rich, let us make sure that the whole EU budget is distributed according to the relative prosperity of the nations of Europe. That would be a fundamental change, but a much better arrangement, and I hope that my hon. Friends on the Treasury Bench will discuss that during our presidency.

Last week, I said that the appointment of Dominique de Villepin as French Prime Minister marked an interesting change; it was a move to someone who is much more Gaullist than liberal. Even as I spoke, he was addressing the Assemblée Nationale, saying the sort of things that I would say if I were in his position. He suggested that there should be a more relaxed fiscal policy nationally to bring down unemployment. Very sensible, but hardly in the spirit of a Europe-wide, eurozone, neo-liberal, deflationist approach to economics. He was saying, "French people are unemployed, so let's spend more money and give them jobs". If individual member states of the EU controlled their economic policy, that is what they should be able to do. We should return to an arrangement whereby macro-economic policy is a matter for the member state and not for the EU. Those things are fundamental and I hope we can at least discuss them. They may be heresy to some people, but they are common sense to others.

There have been calls to abandon UK controls on imports of tobacco and alcohol. That has been proposed, I think, by Liberal Democrat MEPs, but I think that it would be completely unacceptable—it would be madness. The Treasury obtains substantial revenue from taxes on alcohol and tobacco, which pays for hospitals and other public services. If there were unlimited imports of cheap tobacco and alcohol the effect on Treasury revenues would be devastating. Even more important, it would bring in floods of cheap alcohol, exacerbating our already serious alcohol problems. We are trying to persuade people to drink more sensibly and not to smoke, so to allow in mountains of cheap tobacco and floods of cheap alcohol would take us in completely the wrong direction.

I hope that, if necessary, Ministers will tell the Commission, or whoever it may be, that we intend to retain our strict limits on alcohol and tobacco imports and that we shall enforce them. We could even reduce the current limits. When I go abroad I could not manage to carry the amounts that are currently allowed; my car would not hold the volume of beer that we can bring in. Let us deal with the white van brigade and at least enforce the current limits properly.

As I have said before, the lost revenue from imported cheap tobacco amounts to about £4.5 billion, which is a vast sum. Half that lost revenue would pay for free long-term care for the elderly. We need a world where we drink and smoke more sensibly and look after our elderly more properly.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Obviously, a number of hon. Members are seeking to catch my eye. As time is running out, it would be extremely helpful if people did not necessarily take the full 15 minutes that they are allowed so that we can get in as many Members as we possibly can.

5.18 pm

Malcolm Bruce (Gordon) (LD): I shall speak only briefly about the EU and then about the wider Europe. This is, after all, a debate on European affairs and so far I think that only the hon. Member for Ilford, South (Mike Gapes) has made much acknowledgement of the 22 countries that are not members of the EU.

In the wake of the constitution, it is certainly appropriate that we should have a rethink, even a reinvention, of the EU, but some Members appear to think that that is an opportunity to unravel the EU, to bring everything back home, with merely a loose treaty arrangement. If we were to do that, we should throw away the huge amount that has been achieved over the years, which we take for granted and would realise that we had lost only after it had gone. After all, as my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) pointed out, the fact that countries have queued up to join the European Union is proof of huge success. In spite of the difficulties over the working arrangements that that change has brought about, no one is suggesting that they should leave or that another arrangement should be adopted. I remember standing outside the Polish embassy and talking about the support for Solidarity and the case for Polish democracy. Some people have short memories, as they now complain about the fact that, almost by accident, the Poles belong to a free and democratic country, with the freedom to come and work here and with their own place in a democratic common market that we helped to create. We should not deplore that but welcome it. We should not throw that achievement out just because we find it difficult to work out the decision making.

The hon. Member for Luton, North (Kelvin Hopkins) spoke about all the things that we could do nationally. If, for example, we decided to tackle aid or structural funds on a national basis, that would only work with international agreement. In other words, every member would need to agree the framework for such work. That could be an acceptable way of delivering moneys instead of delivering them through the European Commission. We still need a mechanism, however, for making agreements and, if I may say so, we would probably find that qualified majority voting was the best way to achieve efficient decision making.

There is no doubt at all in my mind that Jacques Chirac has raised the issue of the budget to distract attention from his own miserable and comprehensive failure to lead the people of France anywhere useful. We

should not make assumptions about the reasons why people voted the way they did. We must simply accept that they did so for various reasons. Surprisingly, one Frenchman in Paris told me this week that he had voted no because he thought that France was too dominant in Europe. He wanted a renegotiation of the constitution to give more power to the smaller countries. We should therefore not presume that we know why the French voted as they did, but we must live with the consequences of their vote. In the long term, the CAP must be reformed. A perfectly reasonable British position would be that we negotiated a rebate, so if it is to be renegotiated the whole budget, of which the CAP constitutes the lion's share, must be renegotiated. There is common agreement that that is a proper and legitimate argument, although there is disagreement about strategy and outcomes.

There are anxieties about structural funds. My local council has sent me a communication expressing its worries about the British position, and whether those funds would be brought back home. In some cases, local authorities have a more constructive and objective arrangement with the European Commission than with the British Government. That is not an argument for the arrangement—it is simply a practical reality. Aberdeenshire council operates a number of projects supported by European Union funds which it believes are at risk. Many of those projects tackle the consequences of agricultural and rural decline. A large rural council such as Aberdeenshire requires assistance with such problems, and it has benefited from European structural funds over the past four years to the tune of £8.691 million. The loss of that money would be extremely damaging to the regeneration of our fishing and rural communities. I am not suggesting that the British Government cannot achieve success, but any change is bound to create concern. My council has been able to secure funding for various projects across Aberdeenshire, and would like an assurance that if there is any change, it will have continued access to such funding.

On the issue of a wider Europe, I speak as a member of the Parliamentary Assembly of the Council of Europe, of which the United Kingdom is a founder member. Indeed, we were the first country to ratify the European convention on human rights. In the current climate of uncertainty, the European Court of Human Rights and the convention offer a particularly important focus for upholding human rights issues across post-Communist Europe. It is not the only such forum, and I acknowledge that the Organisation for Security and Co-operation in Europe, NATO and the European Union in its external relations all have a role to play. There is no doubt that there is an active engagement which the Government should and do support.

It is therefore particularly regrettable that given our good record on human rights, we have experienced some pretty sharp criticism by the Council of Europe Commissioner for Human Rights on a number of pieces of legislation introduced by the Government, to which my own party has vigorously objected. In his report, Alvaro Gil-Robles substantially echoed the criticisms that I and my Liberal Democrat colleagues have been making—for example, of control orders and the Government's proposals on those. The Commissioner states:

> "It is essential . . . that the necessary judicial guarantees apply to proceedings resulting in their application and that the legislation providing for such exceptional measures be subject to regular parliamentary review."

Given that we have had a guarantee from the Government that the legislation will be revisited, I hope that the comments of the European Commissioner will be taken fully on board, and that the House will continue to have a proper role in oversight of that.

The Commissioner is even more outspoken on the role of evidence that may have been secured through torture, even in other countries. He puts it in pretty direct language:

> "torture is torture whoever does it, judicial proceedings are judicial proceedings, whatever their purpose—the former can never be admissible in the latter."

The British Government response to that is inherently mealy-mouthed, unsatisfactory and unacceptable. As an architect of the European convention on human rights and as a country that tries to encourage others to apply high standards of human rights, we should take the report seriously. Criticism to which we do not respond constructively undervalues our ability to lead and influence other countries.

In my capacity as a member of the Parliamentary Assembly of the Council of Europe, I am the rapporteur on political prisoners in Azerbaijan. In one way or another, Azerbaijan has probably experienced 200 years of external oppression and has become an independent state only since the collapse of the Soviet Union, and only after a fairly violent war against the Russians and a subsequent civil war in Azerbaijan, which went remarkably unreported in the British media. The idea that we have had peace in Europe since the second world war is not borne out by many of those small wars that have had devastating consequences for people. There has, in addition, been the war between Azerbaijan and Armenia, leading to the occupation of Nagorno-Karabakh and a million displaced refugees, with whom Azerbaijan has had to deal. Yet we are trying to lead countries like Azerbaijan—Georgia has found its own way—Armenia and others to some kind of democratic future.

I have two further points to bring to the attention of the House. The first concerns the plight of British citizen Almas Guliyeva, who was arrested in Baku on 3 June. She is a constituent of the hon. Member for Finchley and Golders Green (Dr. Vis), who I know has made strenuous representations on her behalf and I am supporting him in that. Mrs. Guliyeva is the niece of a former speaker of the Azerbaijan Parliament currently living in exile in the United States who wishes to be a presidential candidate or a parliamentary candidate. There is no doubt that her arrest is directly connected to that relationship.

Mrs. Guliyeva is in hospital, having suffered a heart attack as a result of the inquisition that she underwent on her arrest. Today her doctors have authorised the authorities to question her—something her family are extremely concerned about. The background to the situation is that the authorities claim that they found a gun in her luggage as she was leaving the country. Is it

[Malcolm Bruce]

realistic to believe that any international traveller today taking luggage through any international airport and putting it through an X-ray machine would put a gun in their luggage? That does not seem to be a rational or credible piece of behaviour. Indeed, circumstances suggest that the authorities asked for the luggage to be run through a second time, when, mysteriously, the gun was found. We must be aware that this kind of thing is happening and that a British citizen has been subjected to it.

I also have an e-mail dated 13 June which says:

"On June 12"—

last Sunday—

"at prime time several TV channels of Azerbaijan . . . exposed to insults Dr. Leyla Yunus, Director of the Institute of Peace and Democracy because of her human rights protecting activities and in particular for the preparation of the lists of political prisoners and for sending them to Mr. Malcolm Bruce the rapporteur of the Parliamentary Assembly".

It goes on to say that journalists mentioned the exact address at which she and her family were living and called for viewers of the programme to take appropriate action. That is the kind of society that exists in Europe today and in a country that is a member of the European convention on human rights, which we are responsible for trying to enforce. I say with a sense of support that the people of Azerbaijan and countries like it should achieve genuine democracy and we should accept our responsibility for that.

Important as our internal debates on the future of the European Union are and important as it is that we get the right mechanisms for EU decision making, we should not forget the wider Europe of which we are a part and our responsibility to try to bring pluralism, democracy and human rights to such countries. I plead with the House that when we have a debate on foreign affairs, it is just that, and that when we have a debate on EU affairs, it is regarded as separate. I hope that the Minister for Europe will acknowledge that these are important issues that we need to address.

5.31 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): Thank you, Mr. Deputy Speaker, for the opportunity to make my first speech in this House. In doing so, I am conscious that in their very different ways the hon. Member for Belfast, South (Dr. McDonnell) and my hon. Friend the Member for Croydon, Central (Mr. Pelling) have raised the bar to an ambitious height. Although both are no longer in their places, I congratulate them on their contributions to a debate that ought to be addressing one of the great political challenges of our time: how does the European Union reconnect with its people and what role does Britain play in that process? I speak from the delicate position of being both the son of the Foreign Secretary who negotiated the Maastricht treaty and the successor of John Wilkinson, who fought that treaty tooth and nail through the Lobby. It is a genuine pleasure to pay tribute to John, and in so doing I beg the indulgence of more seasoned Members of the House who are waiting to contribute to the debate.

It would be quite wrong to cast John as an anti-European. He campaigned vigorously for our entry into the Common Market and some of the greatest satisfaction in his parliamentary career came from his work on the Council of Europe. He simply felt that the European project was heading in the wrong direction, and he would enjoy the irony of the fact that the majority of the people in France appear to share his view.

John has been a very good model for a young politician working out how to earn the respect of the people whom he intends to serve. His commitment to country and public service is deeply rooted. He brought real expertise to this place. Jeremy Hanley, an ex-Defence Minister and now a constituent, observed

"his knowledge of the RAF and its capabilities is probably second to none in the house."

He was no one's poodle. His fierce independence of mind may have cost him some shallow glory on the Front Benches, but it won him the long-term admiration of his constituents. They simply trusted him to speak his mind. Over 25 years of service, John was a dedicated local champion who helped many people with endless supplies of courtesy, good humour and patience. Every week I meet individuals and groups who lose no time in reminding me of that. I am sure that the House will join me in wishing John and Ceci a very happy retirement.

I am very proud to have inherited the constituency of Ruislip-Northwood from John Wilkinson. Sitting on the western end of the Central, Piccadilly and Metropolitan lines, it is superbly connected to London but proud to keep a distance. Few constituencies are more regularly visited by the royal family or senior members of the Government, although I should point out that their journeys rarely extend beyond the mile that it takes them to travel from the A40 to RAF Northolt. That famous airbase celebrates this year its 90th anniversary and the proud distinction of being the oldest continually operational RAF station in the country.

The story of Ruislip-Northwood is one of evolution from sleepy rural hamlets to thriving suburban towns, which are determined to maintain their identity and quality of life. The key agents of change were the railwaymen and the property developers who followed in their wake. The extension of the Metropolitan line opened up rural Middlesex and the opportunity for people to pursue the dream of a better quality of life, more space, better air and a greater sense of security, and those aspirations remain as valid today as they were in the late 19th century. Northwood is separated from Ruislip by magnificent ancient woods that once provided sport for kings. Harefield stands apart, surrounded by precious green belt, and it is proud to be the last village in Middlesex and home to the world-famous Harefield heart hospital.

My constituency may have played a quiet role in our nation's history, but it is not without its heroes: the Polish war memorial honours those brave Polish fliers based at RAF Northolt who laid down their lives for a free Europe; the genius of Sir Magdi Yacoub attracted the brightest and the best to push the boundaries of medicine at Harefield hospital; and Paul Strickland's vision and drive means that patients at Mount Vernon cancer centre have access to the most sophisticated scanning equipment in the country.

On the whole, our heroes are low-profile, local people who have stood up for what they value over the years and who have done far more to shape their communities

than any politician sitting in Whitehall, let alone Brussels. In the 1930s, Ruislip residents took decisive action in saving their woods from being turned into houses, which meant going to Cambridge and persuading the then bursar of King's college Cambridge, one J Maynard Keynes, to sell the land to them rather than to the developers.

In 1983, local residents took the drastic step of physically occupying Northwood Pinner hospital for three months until the bureaucrats saw sense and abandoned plans to close it. Today that spirit lives on in organisations such as Heart of Harefield, which has been so effective in exposing the folly of trying to move Harefield hospital to Paddington. The tradition of civic pride is rooted in a strong conviction that the quality of life in Ruislip, Eastcote, Northwood and Harefield is worth fighting for. I strongly share that conviction, and it is my privilege and responsibility to give those communities a strong voice in this place.

The clearest message that I heard in the general election was one of frustration and lack of confidence in politicians. People feel less able to control what is important to them, and the big decisions seem to be taken by remote, unaccountable bureaucracies. For example, the public consultations on the future of Harefield hospital and Mount Vernon hospital were widely seen as shams conducted by an increasingly arbitrary and remote NHS. Few issues arouse more local passion than planning, not least because local planning departments seem so toothless in the face of central Government directives. People are deeply worried about increased antisocial behaviour and want to see more police on the streets, but their voice appears to have little weight in shaping local police priorities. My concern is that communities that do not feel empowered quickly lose their sense of community.

You may well ask, Mr. Deputy Speaker, what relevance that point has to the future of the European Union. The EU has begun to symbolise what people feel is wrong with politics: it is too elite, it is too remote and it is seen as too self-interested and too corrupt. Over the past decade, the British people have recognised the degree to which Europe meddles in their lives, and they want less interference rather than more.

The current European leadership reminds me of the board of a grand multinational company that has lost contact with its customer base over many years. The decision by the French people has prompted a crisis in the boardroom and a vacuum of leadership. It is time for someone to stand up and make the case that this is the opportunity to save the company, if the board accepts the need for a new strategy.

Instead of appearing to focus endlessly on its own workings and the allocation of power, the EU must prove its value to a new generation. I argue humbly that it must first explicitly ditch the principle of ever-closer political union and focus instead on re-establishing the EU's credentials as a force for prosperity, growth and jobs. That means winning the argument for the Anglo-Saxon model of economic liberalism, which is the only sustainable response to the new competitive age. That means focusing minds on extending the single market, breaking down external tariffs and strengthening the economic ties that will do more to bind us together than any artificial political structure. It also requires a fundamentally different approach to regulation. As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) pointed out so powerfully, it asks very awkward questions about the value of monetary union.

The second priority, I would suggest, is to prove that the EU can deliver an effective lead on some of the issues that we cannot tackle on our own, because that is a large part of what it is for. Take climate change, for example. The science has moved on, and there is an urgent need to look beyond the first, very small step that was Kyoto. It is clear that the world is not going to get a lead from the superpower. In this vacuum, the EU has a chance to play a constructive and possibly decisive role in building a coalition of the willing around a post-Kyoto framework. It can certainly take practical steps to put words into action. If, for example, we have to live with the common agricultural policy, is not there a case for using it to incentivise the production of biofuels? A robust EU emissions trading scheme could be, and must be, a template for a global scheme.

In short, it is time for the EU to be seen to be taking a lead on the difficult issues that matter to people. It is time for radical reform to replace a culture of power grab with one of delivering tangible benefits to people. In truth, real progress will require new leadership, and in the short term only Britain can supply it until a new generation of leaders takes the stage in France and Germany. While the old regime struggles to respond to the impudence of the French and Dutch people, it is time for Britain to find a bold, positive voice on the EU—one that steers the Community towards better defining its role, setting its limits much more clearly and, above all, proving its relevance and value to the people who pay for it.

If I can compare the nations of Europe to the inhabitants of the 100 acre wood, I would say that Britain has traditionally and usefully played the role of Eeyore, but it is now time to show some of Tigger's bounce in pointing the way forward. In 1999, the Prime Minister threw down this challenge:

> "If we believe our destiny is with Europe, then let us leave behind the muddling through ... the half-heartedness ... and play our part with confidence and pride".

If ever there was a time for him to walk his talk, it is now.

5.42 pm

Mr. David Curry (Skipton and Ripon) (Con): It is a particular pleasure to follow the maiden speech of my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd). He introduced himself as the son of a former distinguished Foreign Secretary. I suppose that he thought that he had better do so before anybody else referred to it. If I may say so, he has no need whatsoever to lean on his genes, as it were, because he has immediately shown that he is eloquent and informative in describing his constituency, generous and indeed accurate in praising the work of his predecessor, John Wilkinson, and intuitive and perceptive in describing the attitude of his constituents towards the European Union.

I know that it is difficult sitting here waiting for many hours to make a maiden speech. My hon. Friend was third, and by no means the least, and he deserves all our congratulations. He was powerful and articulate in setting out his own view of what Europe should be doing. I am glad that he mentioned the climate change

[Mr. David Curry]

agenda, which no other Member has touched on today. As he said, we are concerned that Europe should do those things which affect the way in which people can live their lives. Climate change is climbing up the agenda rapidly, and nation states are, almost by definition, incapable of responding to it by themselves.

There has been a lot of visionary talk this afternoon. Coming from much further up the A1 than Ruislip-Northwood, I am going to be rather less visionary and, I hope, a little more practical.

I wonder to what extent the Government do any competent preparation and planning on European issues at all. Two years ago, they walked into a meeting to find that Chirac and Schröder had stitched together a package on agricultural financing. The Government made the best of a bad job, but the fact is that it was put together in their absence and they have been unable to unstitch it. Now, I get the impression that the Government did no real planning as to what the consequences of a no vote in France or elsewhere might be. Again, it looks as if they have been caught on the hop by a French counter-offensive on the rebate. Perhaps we did not anticipate trouble on that. Perhaps the Chancellor, with his well-known and well-advertised impatience with Europe and all its works, his anxiety to take the last flight to and first flight from Brussels, his reluctance to engage in what the French call les rondes de jambes—a necessary part of European negotiations, which goes better with alcohol than without—and preoccupied with G8 issues, took his eye off the ball.

A month ago, no one in Government was talking about a fundamental change in the balance of EU funding. During the general election campaign, I did not detect anyone telling me that a fundamental decision to change the orientation of Europe would happen, however much we might have welcomed that. We appear to have stumbled into a demand for a fundamental revision of European finances almost by accident and as a reaction to coming under attack about the rebate.

We were already at the beginning of a major change in the common agricultural policy. The first transitional period in the move to the single farm payment is this year. There are years to come. It applies differently to different parts of the United Kingdom, but it represents a fundamental change and the other EU countries have timetables in a broadly similar framework. If the Government now say that we will start from scratch and that we need a new reform, the sooner we know about it, the better.

Do we have any idea of the change that we want? I do not believe that we do. I have heard nothing from the Department for Environment, Food and Rural Affairs about the future shape of the CAP. I congratulate the Secretary of State on negotiating the single farm payment reforms, which was a significant achievement and a fundamental break with the past of the CAP. However, I have not heard that it is the aperitif before a much bigger change later.

Are the Government aware that CAP funding will be cut significantly and that that the sword will fall precisely on the most useful parts—the environmental and rural development elements? It is already clear from the management committees that there is serious axing of the very programmes of which the Government made most in arguing that they have introduced a new environmental chapter into agricultural policy.

The best hope of reforming the CAP is for the British Government to pursue vigorously the World Trade Organisation round and ensure that Europeans do not lapse on their way to the ministerial meetings at the end of the year. The demands of the marketplace and the WTO have always been more effective drivers of change in fundamental policies such as agriculture than self-generated demands. It will take all the skills of the British presidency to ensure that Ministers arrive in Hong Kong in December still determined to strike a deal. It would be a significant win simply to ensure that the farm support of Bulgaria and Romania falls in the envelope that is currently envisaged when they join the EU.

As I said to my Front Benchers, the stuff about horrible, miserable, inefficient French farmers, ghastly peasants and how we should stop them getting more money is tedious. First, it is inaccurate. The French have some of the most efficient farmers in the world. East Anglia has little to teach the French cereal farmers in the Paris basin and northern France about agricultural productivity. The Dutch, the Danes and other European nations are as efficient as us in other sectors of agriculture. We do not help ourselves by perpetuating some of the little British myths because it means that we sometimes fool ourselves about the genuine needs of our farmers.

We need to examine the current politics of the EU. I am a well-known Francophile, sometimes to my cost. However, President Chirac is undoubtedly the empty man of European politics—l'homme vide de l'Europe. He brought about his own misery. He has made a series of heroic miscalculations in his political career and the latest is probably the most fatal. That is not our fault. At the moment, he appears almost to want to take revenge on his people, but there is no reason for the United Kingdom to help him. We helped him before the referendum on the services directive and I see no reason for continuing that help.

It is ironic that, in many ways, the vote in France was to stop the world and get off, whereas some of the most efficient multinational companies in the world, in the insurance, aerospace, nuclear and motor industries, are based in France. Some French companies are world-beaters, so we should not characterise the whole of France as some backward industrial society hiding behind a luddite exterior.

Chancellor Schröder is going for an early election in September, which we hope profoundly that he will lose, and which I am sure that the Prime Minister also hopes that he will lose. He will be much more comfortable with a Christian Democrat regime than with a Social Democrat regime, as the Prime Minister is much more a Christian Democrat than a Social Democrat. Angela Merkel would be a much more effective partner in sharing a vision of the sort of economic society that she wants in Europe than Chancellor Schröder. I hope that there will be no last-minute electoral dashes to Germany to help the Chancellor, although, on second thoughts, perhaps I would like that, as it will no doubt reinforce the determination of the German people to get rid of him.

Signor Berlusconi has an election a year from now and is in serious difficulties. His status as the Prime Minister's best friend, which brings such singular delight to the Labour Benches, might not continue for much longer. In Spain, there is a relatively newly elected but unfortunately moralising leader, with whom the Prime Minister has nothing in common. Let us not fool ourselves—Chirac-Schröder is not Schmidt-Giscard or Kohl-Mitterrand. It is an old man in a hurry and a middle-aged man in a panic, and both of them might be heading for the exit.

We do not need to blink on the rebate issue. Europe will need its budget eventually and, if we hang on, a budget will have to be agreed. We should be clear that it is not permanently sustainable, for the reasons that have been explained. It is not reasonable that the new member states should be asked to bear a mounting burden over a long period. If we believe in our own liberalising agenda, and that the geometry of Europe has changed because of enlargement, we look to precisely those states to be our allies in delivering that liberalising agenda. As the Prime Minister has said, albeit belatedly, we need to address not merely the rebate but its causes, to coin a phrase. Perhaps we need a wider mechanism to address legitimate concerns of countries such as the Netherlands, Sweden and Germany, and we need a long-term shift in the balance of European spending. Globalisation and the WTO are likely to be more efficient drivers of that than internally generated forces.

I hope that the UK presidency will not be a huge brawl, which it could become if we are not careful. We have interests in driving forward a single market agenda in services, working for a successful WTO round and developing the European Union's capacity to deliver soft power, of which enlargement is part, while accepting that, essentially, member states must address their own economic difficulties. We will not do anything at the European level that will solve France's economic problems with the labour market, or stop the German problems, which stem as much from the terms of reunification as the exchange rate of the euro. There is no single Anglo-Saxon model, and no single continental model and nor, we should remember, is the UK always supremely better and different from everybody else in its economic performance. If we are to get the outcomes that we want, we must make sure that we get French and German engagement. We cannot deliver those outcomes in Europe against the French and Germans, so we must try to create that boring old consensus to try to move forward.

I agree that we must maintain the course for enlargement, which is the European Union's greatest achievement—the creation of a civil society, with a functioning democracy and accountability, through member states from very diverse dictatorial or totalitarian backgrounds having to subscribe to certain civil liberties criteria in order to be part of the European Union. The changes that they bring about to do that are much more fundamental than they would achieve autonomously, as we are seeing in Turkey at the moment. The final prize would be Turkey. The ability to demonstrate that an Islamic society can be part of a much wider association that is predominantly, but far from exclusively Christian, would be an enormous contribution of soft power by the European Union to geopolitical stability.

Europe faces two huge tasks. The first is that we need to discuss properly how the European Union works in the new world of global investment and trade. Issues such as education, training, research and development, and market-based culture will become much more important, because globalisation will not go away and we cannot close the frontiers again. We will have to deal with that incredibly competitive society, and Europe has a role in ensuring that we can do it.

Secondly, there is the question of connection with citizens. The problem is that the European Union has lots of institutions, but they do not have the legitimacy with which citizens endow the institutions of member states. In other words, they do not have demos, unlike the institutions of a nation state, which draw directly on the people.

That means that we need to find mechanisms to draw national bodies—not just governmental, civil society bodies, but national Parliaments—much more closely into the working of the European Union and the decision-making processes, so that people can find in those institutions and bodies geometry with which they are familiar. They will see shapes, functions and procedures with which they are familiar and that they can relate to until we can create a marriage of institutions that are necessarily supranational, but which draw to the maximum on familiarity with institutions in which people have invested a certain trust and faith—although perhaps not always deservedly, considering the history. None the less, they are what people have chosen. If we can do that, it will be a significant help.

Finally, I want to make one little point. It would be awfully helpful if Europe could occasionally dismantle something instead of creating it. May I recommend the Economic and Social Committee? The European Parliament is the international democratic body of the European Union, so I cannot for the life of me see what the residual function of the Economic and Social Committee is. I am not a great fan of the Committee of the Regions either. We must be able to say, "This has served its purpose, but it has been superseded. Europe can be more efficient and slimmed down." That would give a great lesson to everybody. We talk about devolution: let us do it at home and do it in Europe. Then, perhaps, we will be able to show the citizens that we have listened to them.

5.57 pm

Angus Robertson (Moray) (SNP): I am particularly pleased to speak in this debate on the important subject of the European Union, but also to have heard the maiden speeches of the hon. Members for Ruislip-Northwood (Mr. Hurd), for Belfast, South (Dr. McDonnell) and for Croydon, Central (Mr. Pelling). I must confess that I have never heard of the link between Croydon and "Star Wars"—the actor who played Darth Vader comes from Croydon—but I note with relief that the hon. Member for Croydon, Central did not claim the support of the dark side of the force for his arguments.

The hon. Member for Luton, North (Kelvin Hopkins) mentioned, I think with a slip of the tongue, the supernatural element of the European Union. I certainly hope that there will be no false effort to resuscitate a constitution that is well and truly dead.

[Angus Robertson]

Representing as I do the first party in the House to call for a referendum on the constitution, I nevertheless believe that a corpse is a corpse. It would be odd to hold a referendum on a constitution that is as dead as Monty Python's parrot. That may not be pining for the Norwegian fjords, but, as the new Minister for Europe knows—I welcome him to his place—Norway's advantages from being outside the common fisheries policy reflected the SNP's main objection to the constitution.

Despite our objections on the incorporation in the draft constitution of the common fisheries policy as an exclusive competence, we believe that there is much to merit further consideration. I strongly warn against the tabloid approach taken in some quarters, which seems to rule out any change to the European Union that may have been within the draft constitution. For example, the idea that we should not think about proposals to open up the Council of Ministers and make it meet in public because the draft constitution is dead and almost buried has been raised a number of times and the same applies to pursuing an enhanced role for national Parliaments. Not considering those things would be folly. We need to consider all these proposals on their merits and not paint them as discredited. They are not.

I firmly believe that we should regard where we are as an opportunity to redefine the European Union that we want. We do not want a negative, anti-European attitude, but one that recognises the need for a confederal European Union that reflects a very real, 21st-century independence. Such independence is not the same as the 19th-century, outdated idea of autarkic independence, but it none the less constitutes independence. The idea that the Slovaks and the Slovenes, who regained their independence from larger incorporating unions, have thrown it out the window within 10 years by joining a supranational united states of Europe was folly before and it is folly now. We have, and should continue to have, a confederal Europe. However, we need to look hard at what does need reforming, and I want briefly to talk about our responsibilities in this House in that regard.

Mr. Andrew Turner (Isle of Wight) (Con): Can the hon. Gentleman first clarify what he means by a confederal Europe, compared with the one set out in the constitution?

Angus Robertson: A confederal Europe resembles the constitution definition, which describes the EU as a union of states that decides to pool sovereignty in various areas, while retaining the principle of subsidiarity. I firmly believe that powers should be handed back. Someone asked what should be handed back, and first on my list would be the common fisheries policy. That has been an absolute disaster, yet no mention has been made of it today.

I return to what we in this House should be doing about reform. The esteemed Chairman of the European Scrutiny Committee, the hon. Member for Lanark and Hamilton, East (Mr. Hood), who spoke at the beginning of the debate, talked about the important role that it plays in ensuring that this House is properly informed about proposals from the European Commission, the Council of Ministers and elsewhere, and about important regulations, directives and communications. Every week, the Committee goes through as many as 30 to 40 documents, some of which are profoundly important. Yet for the past two months, it has not met. There has been no scrutiny whatsoever of European business during this Parliament. Does that mean that the Council of Ministers was not meeting—that it was not deciding whether such regulations and directives should be introduced? Of course not. Such regulations and directives were introduced. What happened to the scrutiny reserve, or has everything been put on hold? I do not know, but if we want to reform the EU we must lead by example. I am sorry to say that we have failed in that regard.

We also failed in terms of turnout. During the debate on the draft constitution, a Standing Committee that brought together Members of this House and of the other place had twice to be declared inquorate because Conservative members did not attend. That is extraordinary. We can take European business seriously or choose to grandstand once or twice a year on our hobby-horse subjects. We need to get on with the nitty-gritty work and to take our scrutiny function much more seriously.

Another issue that has not been touched on is the role of devolved Administrations and institutions. Some 60 to 70 per cent. of the European legislation that gets handed down to the United Kingdom relates to shared sovereignty with the Scottish Parliament, not to this House, yet no mention has been made of how we might choose to improve that situation. Members might not be aware that the relationship between the UK Government and the devolved Administrations is currently secret. Concordats on intergovernmental relationships between the central authority and devolved Administrations say that Ministers should not talk about their discussions on important policy issues. How can we talk about an improved EU when scrutiny Committees do not meet, interrelationships are secret within UK governmental structures and the European Scrutiny Committee itself, on the most important times that it meets, does so in secret? That is indefensible. The Dail Eireann can work out a way to meet in public and go through the various issues, so why cannot the European Scrutiny Committee do the same?

I am mindful of the time, so I will be brief in discussing my final point. I am concerned that, in the current climate of megaphone, gunboat diplomacy on the rebate, we might be missing out a very important element of the budgetary debate that is of profound importance to UK areas that receive EU funding. I do not know whether, given the large amount of paper in his in-tray, the new Minister for Europe has had a chance to examine what is known as statistical effect. Let me try to explain a rather complicated development.

Because of enlargement, money needs to go from the older, richer EU states to the poorer, new member states, but 17 regions throughout the old EU are very much at the margins of EU funding, and may lose it. The EU has been considering ways of dealing with that difficulty. One of the affected areas is the highlands and islands, part of which I represent.

If statistical effect does not operate, there will be an estimated £350 million loss from the next programming period. If that is compounded with the accountancy

error on the part of the Office for National Statistics, which has denied the highlands and islands objective 1 funding—it amounts to a loss of between £200 million and £250 million—and the potential loss of cohesion funds, the Scottish economy alone will lose up to £1 billion. That is confirmed by a document drawn up two days ago by the Scottish Executive. When I asked the Foreign Secretary about it, he said that he was not aware of the exact numbers. I should be grateful if the Minister for Europe could confirm that that would be the position. The document says:

"If the UK position was to succeed"

—that is, its current negotiating rounds on the budget and how the UK Government would like to proceed—

"Scotland would receive no European Structural Funds support".

It confirms that that would mean a loss of £710 million.

I noted carefully what the Foreign Secretary said earlier in reply to a question from me. He said that the UK Government had given a commitment to the regions and nations that they would not lose out. I should be grateful if, when summing up or indeed now, the Minister could confirm that the UK Government will cover—as a minimum—the nigh on £1 billion that will potentially be lost from the Scottish economy, given the detrimental impact that that would have on the highlands and islands in particular. Can he give that minimum guarantee that the Government will stump up £1 billion of additional funds to close the gap?

The Minister for Europe (Mr. Douglas Alexander): I assure the hon. Gentleman that I have had an opportunity to discuss the impact on the highlands and islands. Indeed, I paid a visit to Highland regional council and spoke to its representatives about exactly these matters. Does he accept that, given the terms of the Treasury guarantee that has been offered on structural and cohesion funding, there is a genuine statistical difficulty? The bases on which the numbers can be calculated rely on European statistics that are not yet available to this or any other EU Government.

Angus Robertson: I am surprised, because the Scottish Executive seem to have the figures. The Scottish Executive, run by the Labour Government together with the Liberal Democrats, say that the amount is £710 million. The statistical-effect figure is public and confirmed, as is the amount lost to the highlands and islands because of ONS errors. We are talking about something in the order of £1 billion. Perhaps when he sums up the debate the Minister will take the opportunity to confirm that the UK Government will give a minimum guarantee to plug that £1 billion gap.

We must of course accept that structural funds are for the poorest regions. It is absolutely right for us to invest to raise parts of the newer EU states to the same economic standards as exist in the older states, but the transitional arrangements for the poorer regions of the established EU states must also be dealt with properly. The Foreign Secretary has conceded that mechanisms will be available to plug the gap, and I await the Minister's guarantee that the Government will indeed plug a gap in the Scottish economy that amounts to at least £1 billion.

6.9 pm

Mr. Stephen Dorrell (Charnwood) (Con): I want to be reasonably brief this evening and concentrate my remarks exclusively on the consequences for Britain of the referendum decisions in France and Holland. Before doing so, however, I join my right hon. Friend the Member for Skipton and Ripon (Mr. Curry) in congratulating my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) on a very distinguished maiden speech. He opened his remarks by saying that another new colleague, my hon. Friend the Member for Croydon, Central (Mr. Pelling) and, indeed, the hon. Member for Belfast, South (Dr. McDonnell) had set a high hurdle for him to jump over, but everyone who heard his speech would conclude that my hon. Friend jumped over that hurdle and made it look easier than we all know it truly was. I congratulate him again on an excellent speech that came over extremely well.

I unreservedly welcome the rejection of the constitution in the referendums of France and Holland and it is important to be clear why. I am not one who thinks that the constitutional treaty was the finishing touch or keystone for a new superstate. Such a presentation of the constitutional treaty is grossly overblown. I welcome its rejection because I have always thought that the treaty that emerged from the process was a major lost opportunity for Europe and I am delighted that the political classes in Europe have a second chance to produce a new constitutional arrangement that addresses the needs of the whole of Europe at the beginning of the 21st century. If we are to achieve that, we must be specific about the nature of the problems that we currently face and how best to take the opportunity to deal with them.

I am not one who believes that the problems that Europe has encountered as the European Union has grown and as the world has become more complex should lead us to the conclusion that we should give up on the European project. I am an unapologetic Europhile and I believe that the motivation that led us first to join and then to develop the EU is still correct, but we must be clear about precisely which objectives are achievable. Some of the objectives that were written into the treaties as we have gone along have proved, in the light of experience, to be over-ambitious, so we should consciously drop them. My hon. Friend the Member for Ruislip-Northwood suggested that we should consciously drop the commitment to build an ever-closer union. He is almost certainly right about that.

As a former Secretary of State, I used to be responsible for health and, from my point of view, there was no reason for that policy area to be included in the various treaties. I would now delete any reference to an EU angle on health from them. I also used to be responsible at one time for what was then called national heritage. There were some minimalist EU functions attached to that, but again I would now drop them because they are over-ambitious and do not focus on the core of the common interest that should, in my view, be at the heart of the European project.

Let us be clear about that. First and foremost, I agree with my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) that the European project has to be about creating a competitive market economy that brings together all the EU member states. Some people

[Mr. Stephen Dorrell]

talk as though that means no more than a commitment to a customs union, but I believe that it runs very much deeper than that. A successful market economy is not a state of nature. It depends on a very intricate collection of regulations and commitments that are enforced on all the participants in that market economy.

The EU was established for a central purpose—to deliver the political objectives of neo-liberalism. That is greatly to the UK's advantage. I fundamentally disagree with the hon. Member for Luton, North (Kelvin Hopkins), who says that we should reject the neo-liberal agenda. I am very strongly in favour of that agenda, and the EU's institutions should be designed to deliver it.

Mr. Nick Clegg (Sheffield, Hallam) (LD): The right hon. Gentleman is offering a plausible and principled case for getting rid of the EU's superfluous power and concentrating on its core business. However, voters in France rejected the constitution for being too minimal and Anglo-Saxon. Would not renegotiation of that text give rise to a document even more shrunken than the one already rejected by French voters?

Mr. Dorrell: The hon. Gentleman makes an important point, which I shall address later in my remarks. It goes to the heart of what I consider to be the constitutional treaty's failings.

The second policy area in which the EU must engage much more effectively than has been the case so far—the environmental agenda—was also mentioned by my hon. Friend the Member for Ruislip-Northwood and by my right hon. Friend the Member for Skipton and Ripon. As the latter said, the environment is rising up the political agenda very quickly. Member states have a real common interest in it, and there is a real requirement for a common policy. In contrast, the areas in which I am not in favour of deepening co-operation include security, defence and foreign policy. They are outside what I understand to be the common interest among EU states in ensuring an effective delivery mechanism.

Why have the existing constitutional arrangements, and the treaty proposals that we can now consider to be dead, been found wanting in respect of delivering the policy agenda that I have set out? I believe that the answer is that the present system is insufficiently flexible for the world in which we now live. It was consciously designed that way by the people who put the arrangements in place in the 1950s. At that time, the concern was to agree a common purpose and make it difficult for countries to resile from it. Therefore, the EU's designers built in the provision that only the European Commission could initiate new proposals, and they also built in the principle of the acquis communautaire.

However, the dangers that we face today are fundamentally different from the ones that the European institutions were designed to address. In the face of globalisation, those institutions make change too difficult: they slow down the change that is essential to the economic survival and success of the EU's member states. Furthermore, a Europe of 25 states has an institutional resistance to change that makes change more difficult to manage than was the case with the original six member states.

The balance has therefore shifted fundamentally and we need to ensure that in future the EU's institutions are much more effective drivers for change. As proof of that, one need only list the items on the change agenda about which the liberals among us, at least, broadly agree—excessive social costs, misplaced agricultural expenditure, wasteful expenditure in the rest of the budget, the important elements in the world trade round that were mentioned earlier, and the sensitivity surrounding enlargement, especially as it relates to Turkey. All those hugely sensitive items are on the change agenda.

On the point raised by the hon. Member for Sheffield, Hallam (Mr. Clegg), the second problem with the existing institutions is that they do not allow the process of change to be driven through. Supporters of the constitutional treaty say that that is exactly why they wanted to extend qualified majority voting and make it easier for the EU to reach decisions. Let us consider that. The changes that I have listed are hugely controversial. One need only consider how the French electorate reacted to the introduction of Turkey, the case for the Anglo-Saxon model or liberal change. However, we need to introduce those changes because power is already seen to be remote. If we streamline the institutions and make them more powerful, it might make it easier for the institutions to introduce unpopular and controversial change, but it will divorce them even further from the electorates to whom they are responsible and build up an even bigger bow wave of resistance to the changes that are essential for the success of the societies of the member states.

The central point is that if one wants to introduce change—especially unpopular, difficult change—in a democracy, it has to be based on a public dialogue. We cannot expect our electorates to come with us on a journey that is uncomfortable if, to put it crudely, it is explained to them, literally, in a foreign language. Change requires explanation and a public dialogue, and the institutions of the EU as currently constituted do not allow sufficient dialogue to take place to include—a fashionable word these days—the electorates of Europe in the change process that is essential for our survival.

I support the need for radical change to the institutions of Europe, but the defining characteristics of those changes must be that they allow us to embrace a faster driven change process. If that is to be successful, the changes must be based on a more effective public dialogue and increased accountability by the decision makers to those who elect us. That means that the institutions must be more firmly rooted than the existing ones in the successful democracies based on the nation state, instead of trying to create a European demos. If we have to wait until we have a successful European public dialogue, the Chinese, the Indians and the Americans—indeed, all our competitors around the world—will have left us standing. We do not have time and nor, in my mind, do we have the will to create a European political debate to support that process. That leads to the conclusion, which I find acceptable, that we should engage the member states and their institutions in supporting the change process. If we do not do that, we shall find that our institutions have become dangerously ossified. We shall also come to regard the European Union as like the pre-Reformation Roman Catholic Church, and that is not a world in which I want to live.

6.23 pm

Mr. David Chaytor (Bury, North) (Lab): I listened to the earlier speeches in the debate today and I listened to much of the debate last week. I have also listened to several European debates in the past few years, and two things are immediately obvious. The first is that at the last three general elections in the UK the party that has been vociferously anti-European has been heavily defeated—

Mr. Paterson: Not in England.

Mr. Chaytor: I said in the United Kingdom. Therefore, for the Conservative party to argue that a single vote on a particular issue by French electors is a justification of their position is the triumph of hope over experience. The logic of their position is that they should abandon the attempt to win support for their anti-European views in the United Kingdom and simply export themselves to France or the Netherlands.

Mr. Hendrick: My hon. Friend heard the hon. Member for North Shropshire (Mr. Paterson) say that we did not win the election in England. Will he comment on the fact that the Conservative party now seems to regard itself as the English nationalist party?

Mr. Chaytor: I do not want to be diverted on to that specific issue, but my hon. Friend makes an important point.

It is glaringly obvious that these debates always start with a flurry of tabloid hysteria from Opposition Members, which is whipped up by the chauvinism and intense nationalism of some of them, but as they move on, we tend to hear a few more voices of reason and sanity on both sides of the House and a degree of consensus emerges, so I hope that I can make my contribution in that context. I associate myself with much that was said by the two previous Conservative speakers: the right hon. Members for Charnwood (Mr. Dorrell) and for Skipton and Ripon (Mr. Curry).

I reiterate the point made by the right hon. Member for Skipton and Ripon about French farmers. It is ludicrous and self-defeating to delude ourselves into thinking that all United Kingdom agriculture is superbly efficient, but all French agriculture is immensely inefficient. Anyone who compares the range, quality and diversity of food production in France with what we produce and the circumstances in which we produce it would draw that conclusion. Equally, when considering the strength of the French and German economies, we must compare the number of British consumers who choose to purchase motor cars manufactured in those countries with the number of French and German consumers who purchase motor cars manufactured in Britain. That comparison provides us with an important comment about the relative strengths of our manufacturing economies.

I want to tell the House about the fruits of my recent experiences in France. I happened to find myself in France during the later days of the referendum campaign, so I set out on an attempt to convert a small network of my French friends to the virtues of the European constitution, which proved to be utterly futile and misguided because despite my passionate commitment to the cause of European union and general support for the European constitution, albeit in the context of my schoolboy French, I failed miserably to persuade a single friend or colleague to vote yes. However, that was significant because the people to whom I was talking were strong Europeans. They believed in the European Union and probably believed in ever closer union. They certainly managed to combine a strong sense of their French identity with a sense of European identity.

Those people did not vote against the constitution for the reasons outlined by Conservative Front-Bench spokesmen today and during last week's debate. They were not voting against the single currency because they strongly supported it, and nor were they voting against the precise constitutional changes proposed in the treaty. They were not necessarily against a directly elected President, a common foreign policy, or even the changes to qualified majority voting. They were voting on the grounds of anxiety, fear and security. I cannot speak for people in Holland because I suspect that there were one or two slightly different issues there, although many were the same. However, the theme of everyone to whom I spoke, every newspaper article that I read and every television and radio programme that I watched or listened to was economic, rather than constitutional, although it was certainly nothing to do with the single currency. That fact is really important, so our Government and all European Governments must take it on board.

The supreme irony—the hon. Member for Sheffield, Hallam (Mr. Clegg) made this point—is that the Conservative Opposition here believe that the result of the French and Dutch vote was a vindication of their economic policy. That is a delusion of a high order. The minimalist state—the ultra-deregulated economy and free movement of capital—is precisely what French voters voted against. They voted against the kind of economic policy that is dear to the heart of the Conservative party in Britain. We have to recognise that the vote was about economic insecurity as much as it was about the detailed text of the constitution. I think that my experience on that was widely shared.

Mr. John Hayes (South Holland and The Deepings) (Con): I am interested in the hon. Gentleman's analysis of why the French people voted as they did, but in a sense that is less important than the constitutional and political repercussions of their decision. We can have an interesting debate about what went on in the minds and hearts of the French people and what motivated them, but that is rather academic. We are now in a constitutional crisis in Europe which obliges us to reconsider our future role in Europe and the direction of the Community as a whole.

Mr. Chaytor: I understand the hon. Gentleman's point, but the two issues are not completely separate. It is important to understand how the vote came about if we are to chart the way forward. We also have to recognise that 45 per cent. voted for a 191-page document of densely printed text. It is odd that the Conservative party can say that a 33 per cent. share of the vote in the recent general election represents a historic vindication of their leadership and an end to the terminal decline of their party, but that a 45 per cent.

[Mr. Chaytor]

vote in France represents a complete rejection by the French people of the European constitution. That is twisted thinking.

I was not privileged to be in the Chamber to hear my hon. Friend the Member for Luton, North (Kelvin Hopkins), but I disagree with his analysis of the constitutional treaty and the way forward for the European economy. However, I share his understanding of why many people in France and Holland voted against the treaty.

There is something else to consider. On the way to the Chamber, I called in at the House of Commons Library to get a copy of the constitutional treaty, not because I expected to read the 191 pages before the start of the debate, but because I wanted to see how accessible it was. There is no copy in the Library. There is an excellent research paper, but I could not access the treaty from the Library Desk. [HON. MEMBERS: "Go to the Vote Office."] My point is that the document is not widely available to the general public in the United Kingdom, so it is highly unsurprising that we do not have a clear understanding of the issues. The document was circulated to every household in France, but if we expect people to take a considered view on a 191-page document, we are deceiving ourselves. There is a lesson for the leadership throughout the EU.

Kelvin Hopkins: I am interested in what my hon. Friend says. Was it not the case that the more people knew about the constitutional treaty, the more likely they were to vote no?

Mr. Chaytor: I disagree. It is a comforting thought that one's viewpoint is supported only by people who have the greatest knowledge, but that was not the case in this instance.

We are poor at communicating complex political issues. That applies to the UK as well as the EU as a whole. Who knows what will happen to the treaty? It is fairly obvious that there will be a gradual move to withdraw the document. Who knows what other nation states will do after the meeting of the European Council? I hope, as I think many Opposition Members do, that it is not the end of a European constitution.

In a Union of 25 nations, with more than 400 million people, it is evident that there must be a basic statement of principles and values around which a majority of the electorate can coalesce. The problem is that we have a document to which we refer as a constitutional treaty. The enlarged EU needs a treaty and it also needs a constitution; but to expect people to vote in a referendum on a constitutional treaty of such complexity is unrealistic.

I am conscious that time is short and I hope to allow one more Member to speak, so I shall draw my remarks to a conclusion. First, it is important that the treaty adapts to the new reality of the EU, and takes into account the fact that it is a Union of 25 nations and that the rules have to be changed. It is entirely reasonable that the leadership of nation states can choose to ratify such a treaty without a referendum. Secondly, if we are to continue to gain public support for the wider European Union, we also need a constitution expressed in simple terms. I would not necessarily cite the American constitution as an example, but other countries have comparatively simple constitutions that people can understand and remember, so they know what they are voting for.

We need a constitution that establishes basic principles. However, in whatever document we produce in the future—and there will have to be such a document—we must address basic economic security. Without withdrawing from the commitment to a market economy in the EU, we must recognise that the risks of globalisation are great and that the insecurities of ordinary people are immense. We must give reassurance about those insecurities, and I hope that our Prime Minister will take that message to his colleagues at the European Council later this week.

6.37 pm

David Howarth (Cambridge) (LD): In view of the lateness of the hour, I shall make only one point. There is something odd about the EU budget: 80 per cent. of it is made up of items whose main motivation is redistribution—CAP, regional structural funds and regional development. Only about 10 per cent. of the EU budget provides any sort of public service, and that includes the 6.6 per cent. proposed for research and development in the 2007–13 financial framework. That is very different from a normal national budget. In the UK, for example, the Budget contains about 55 per cent. for redistributive measures and about 30 per cent. for public services. If the EU is to be popular with the population of Europe, there must be some change in the balance between public services and redistribution.

It could be argued that some public services are best provided to some degree at European level. For example, environmental questions such as alternatives to air travel need to be dealt with at European rather than national level. Similarly, the kind of equipment and capital investment needed for vast scientific research programmes is plainly beyond the reach of many nation states and that, too, needs to be dealt with at supranational level.

As many Members have pointed out, we must also consider the balance within the redistributive part of the budget. Forty per cent. of the whole budget—half the redistribution element—goes to agriculture and rural development. Whatever the situation might have been in the 1950s, do we really believe that the major redistribution problem in Europe at present is between urban and rural areas? No one believes that. Nowadays, 76 per cent. of the population of Europe is urban, and the figure is closer to 90 per cent. in countries such as Britain. There must be a change in the balance of redistributive budgets that better reflects our current problems.

Mr. Hayes: Leaving aside the hon. Gentleman's remark about the rural and urban split—he would not argue that the importance of rural areas depended solely on the number of people who live there—on public services and spending, he is implying that as well as spending money the EU would have competence for the areas of public spending that absorb the greater part of

national budgets such as health. Does he assume that competence and spending would go together, or would he separate them?

David Howarth: The budgets would be only for those functions that the EU can take up under the existing arrangements.

Finally, we need radical change, not just incremental change, in the distribution of the budget among different projects. My main fear is that, because of the events of 2003 and the fundamental rupture caused by the Iraq war, the Government and the Prime Minister cannot bring about that change.

6.41 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): I am sorry that the hon. Member for Cambridge (David Howarth) had to cut short his speech on European affairs because I had not heard his argument before. I hope that he will resume it in our next debate, and I look forward to hearing the rest of it.

The hon. Member for Bury, North (Mr. Chaytor) said that Conservative contributions to European debates become better and wiser as the debate progresses. As I always make the winding-up speech for the Opposition, I am tempted to agree with him. I apologise to the few contributors whom I did not hear. I had the pleasure of hosting a meeting with Altrincham grammar school for girls, which has introduced an exciting and progressive scheme to train Chinese teachers to teach GCSE classes in science, IT and maths in the English language. That illustrates the fact that while we debate great changes in the world and the UK, the more far-seeing people in the country are getting on with it and are responding to the great challenges that we face.

I am delighted that the right hon. Member for Paisley and Renfrewshire, South (Mr. Alexander), the Minister of the month, will respond on behalf of the Government. Today, the Prime Minister repeated his view that we need a fundamental debate about the future of Europe. Yesterday, he said that we have a "moment of opportunity". I agree, but instead of offering the leadership that Europe needs and seizing that opportunity, he says that we need to pause for reflection for several months. Nine days ago, in his statement to the House, when asked what the Government would say at the European Council, the Foreign Secretary said:

> "We will make judgments about our position at next week's summit—based on the statement that I have made today—much nearer the time."—[*Official Report*, 6 June 2005; Vol. 434, c. 994.]

The Council meets tomorrow—we could not be any nearer the time—yet we have not heard anything from the Foreign Secretary about the position that the Government will take at the end of the week.

Many interesting views have been expressed in our debate, and excellent maiden speeches were made by the hon. Member for Belfast, South (Dr. McDonnell) and my hon. Friends the Members for Croydon, Central (Mr. Pelling) and for Ruislip-Northwood (Mr. Hurd). My hon. Friend for Ruislip-Northwood ingeniously moved the debate on from a discussion of dead parrots to Winnie-the-Pooh. My hon. Friend the Member for Woodspring (Dr. Fox) set out the Conservative vision of a more flexible, modern, outward-looking European Union doing less, but doing it better. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) correctly identified the concentration on the rebate over the past few days as a diversion from more important questions that need to be faced. However, he refused to accepted an invitation from my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) to express opposition to the ratchet whereby powers are transferred to the EU but can never be returned to the member states. The hon. Member for Lanark and Hamilton, East (Mr. Hood) said that he preferred the Foreign Secretary when is angry, and wanted an EU that is closer to the people.

My right hon. Friend the Member for Richmond, Yorks (Mr. Hague), in a typically perceptive and amusing speech, rightly drew attention to the massive dislocation between Governments and peoples across Europe. He congratulated the Foreign Secretary on starting the spread of referendums across Europe, but perhaps he should have given some credit to the previous Minister for Europe, who told us a few months ago that he had confronted the Foreign Secretary and apparently said—I paraphrase—"Jack, we're stuffed. We've got to give way on a referendum", so he may have had some part in that great persuasion.

My right hon. Friend went on to describe the seven positions that the Prime Minister has held on a referendum, and what he called the three great tensions in European policy, between enlargement and integration, democracy and centralisation, and economic reality and political goals.

We had a number of other interesting contributions, including those from the hon. Member for Stroud (Mr. Drew) and from my right hon. Friend the Member for Hitchin and Harpenden, whom I have already mentioned. The hon. Member for Luton, North (Kelvin Hopkins) spoke of the need for a European Union without uniformity, where member states are free to take a more social democratic or a more liberal approach, as they choose—something with which, from a very different perspective, we agree.

My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) spoke of the massive forces that are being exerted on European trade and the CAP from external sources, the World Trade Organisation talks and the power of global investment. My right hon. Friend the Member for Charnwood (Mr. Dorrell) welcomed the rejection of the constitution because he believes that something much better and more oriented towards creating a genuine market economy can be put in its place.

All those interesting, compelling and sometimes visionary views were expressed about the future of Europe, but from the Government we heard nothing on the key challenges that face us. The Foreign Secretary spoke about the possible changes in the way UK regional funding or agricultural funding might be found and the fact that such funding might come from the UK, not from EU budgets.

I return to the point that I made in an intervention on him. If we maintain the level of contribution that we make at present, but spend regional funding or agricultural funding from UK Government resources, not from the EU, it is in effect an increase in our net contribution. That is the typical sleight of hand by the

[Mr. Graham Brady]

Government that we must watch for. There are two ways to increase the net contribution to the European Union budget. One is to increase the gross contribution and the other is to reduce the amount that we get back. From what the Foreign Secretary said earlier, it seems likely that the second of those might be the Government's preferred alternative.

The debate that we have had about the rebate, as the right hon. and learned Member for North-East Fife commented, has been a diversion—an elaborate charade. The Prime Minister could have prevented the extended discussion of the rebate if he had just made it clear from the outset that the British rebate is not negotiable. Britain has an absolute veto on the removal of the rebate. If the Government had just been firm, this week's discussions would have been so much more productive. The only conclusion that can be drawn is that discussion of the rebate has been convenient for the British Government, as it has been for the French. President Chirac has been able to bash the British, and the Prime Minister can swing his handbag and grandstand about his battle to save the rebate.

Meanwhile, there has been silence about the real challenges facing the European Union—the challenge of establishing a new and very different direction. A less centralised, less uniform, less regulated European Union is what the people are crying out for, and it is what businesses struggling to compete under the burden of red tape so badly need—but on this the Prime Minister and the Foreign Secretary have been silent. They apparently believe that the future direction of Europe and of Britain's relations with the EU is too important to share with the House or with the British people.

These debates are meant to be the nation's opportunity to hold the Government to account and to scrutinise the negotiating position of the British Government prior to the Council meeting, but today the Government have treated the House and the British people with contempt. Our future will be decided behind closed doors by Governments who have plainly learned nothing from the sharp rebuke delivered in the French and Dutch referendums just a couple of weeks ago.

6.49 pm

The Minister for Europe (Mr. Douglas Alexander): After Prime Minister's questions, the burden of expectation with which I rise weighs heavily on my shoulders, but we have had a vigorous debate on the key questions concerning the future of Europe. The debate has ranged widely and also focused on the main items to be discussed at tomorrow's European Council: the European Union's future financing and the constitutional treaty. Hon. Members have raised questions on many other issues too, and I will endeavour to address such questions in my remarks.

The range and intensity of this afternoon's debate show once again how central the European Union's future is to our role, but let me begin by paying tribute to the hon. Member for Belfast, South (Dr. McDonnell), who made a generous maiden speech, thanking his predecessor and wishing him well in his retirement. He brought the perspective of a Northern Ireland politician to our deliberations and recognised on behalf of his SDLP colleagues the significant contribution that the EU has made to the peace process. He spoke movingly of his desire to make a difference to his local community in Belfast and of his determination to work for his constituents during his time in Westminster on issues such as education, mental health and planning. He said that he was determined to advance all that is good in his community. In those endeavours, I wish him well.

Later in the debate a second maiden speech was made—this time by the hon. Member for Croydon, Central (Mr. Pelling). He informed the House that Croydon is not just retail heaven and went on to describe its many attractions. Anybody who represents the birthplace of Darth Vader, as we discovered, has to taken seriously. I am sure that the whole House and particularly Labour Members appreciated the generous tributes paid to his predecessor, Geraint Davies.

The third maiden speech of this afternoon came from the new hon. Member for Ruislip-Northwood (Mr. Hurd). He was warm and generous in his tribute to his predecessor and gracefully acknowledged the proud family heritage of public service and service in this House of which he is now part. I learned much from his description of his constituency and its civic pride, and I am sure that on the basis of his auspicious start this afternoon we have not seen the last of the Hurd family occupying senior positions in the Conservative party.

The hon. Member for Woodspring (Dr. Fox) stated—I hope that I quote him accurately—that

"this Council comes not at a time of crisis for Europe but a time of opportunity for Europe".

Presumably, he hopes that the same can be said for the Conservative party at the present time. I cannot say, on the basis of his speech, that I am convinced that opportunity knocks for the Opposition. His speech ranged widely, acknowledging rightly the scale of the economic challenges for Europe in the face of globalisation, although the condemnation that he offered of structural unemployment on the continent, coming from a party that gave us two recessions in as many decades and a Chancellor who said that unemployment was a price worth paying, rang rather hollow on the Labour Benches.

My hon. Friend the Member for Lanark and Hamilton, East (Mr. Hood) was warm in his praise of my right hon. Friend the Foreign Secretary. I have sympathy with his substantive point about the establishment of the European Scrutiny Committee—a point echoed by the hon. Member for Moray (Angus Robertson). I shall certainly ensure that the Leader of the House is made aware of the concerns raised in the debate.

There then followed a speech by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who spoke with characteristic knowledge, eloquence and wisdom. In a rather, if I may say, Fabian-like fashion, he made the case for incremental change before addressing the wider issues, both economic and political, of the rise of India, China and Asia generally, which are of course the backdrop to much of our discussion today.

The right hon. Member for Richmond, Yorks (Mr. Hague) spoke with the wit for which his time as Leader of the Opposition is so warmly remembered on

both sides of the House. I assure him that, as he quoted Shakespeare and remembered Agincourt, no Member was inclined to nip off for a nap, as he put it.

My hon. Friend the Member for Ilford, South (Mike Gapes) emphasised the importance of enlargement and the key contribution that that process has made and can make to securing peace and prosperity across Europe. In that, I am in complete agreement, and I welcome the continuing broad consensus across the House on the importance of taking forward the process of enlargement. It is true that in certain countries it has been suggested that one direct issue raised by the no votes was whether the enlargement process to Bulgaria, Romania, Croatia and Turkey, and then to the western Balkans, will continue. However, the EU's commitments on enlargement are clear and the process is being undertaken under existing treaties and EU rules, and not those of the constitutional treaty. The UK will therefore be pursuing those commitments when we take up our presidency in just a couple of weeks time.

I also willingly recognise the strength of the point made by the hon. Member for Gordon (Malcolm Bruce) that debates in this House must recognise the importance of wider European matters and not simply the institutional architecture of the European Union.

My hon. Friend the Member for Leicester, East (Keith Vaz), in a telling speech, queried why Conservative Members spent so much time dealing with the detail of the treaty provisions rather than the wider issue of the future direction of Europe ahead of the British presidency. As my right hon. Friend the Foreign Secretary has said, a consensus is emerging among EU leaders that the decision whether to proceed with the ratification of the treaty should be left to individual member states. The Government's position is that it would not be sensible at this stage to proceed with the Second Reading of the Bill that provides for ratification of the treaty by referendum, given the uncertainty following the referendums in France and the Netherlands.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Does the Minister agree that it might make sense for all countries to hold referendums on same day in future to avoid the mess that we are currently in? Bearing in mind the results in France and Holland and the discussions about currency in Germany and Italy, does he agree that if there were ever a time to re-evaluate the situation, re-engage with the electorate and revisit the plans for Europe, this is it?

Mr. Alexander: I agree with the hon. Gentleman's final point about the need for a wider debate on the future of Europe, but I disagree with his initial point about the treaty ratification process across Europe. I would have thought that he supports the principle of subsidiarity and recognises that it is for individual member states within the EU to determine their own ratification processes. The Spanish people have already ratified the treaty by referendum, and nine other countries have also ratified it, but two founding member states have rejected the draft constitutional treaty by referendum. I take the view that in the first instance it is for each member state to determine the means by which the ratification process can be taken forward.

Mr. Paterson: Last week, the Minister refused to answer this question: if there is a majority vote over the next two days in the Council to continue the ratification process, will the Government obey or ignore the decision?

Mr. Alexander: I have already sought to make it clear to the House that a consensus is beginning to emerge across Europe, and I believe that it will be reflected in the work that is taken forward in the Council tomorrow. However, it is for individual member states to make that determination, rather than a decision being taken on the basis of a majority, as suggested by the hon. Gentleman. Ultimately, we have only a little longer to wait for the European Council's final conclusion.

The Council's first requirement is to hear from the French and the Dutch Governments about the referendum results in their respective countries and about how they see the future of their ratification processes following the decisions made by their respective populations. The Prime Minister will, of course, have the opportunity to report back to the House in a statement following the Council meeting.

The right hon. Member for Skipton and Ripon (Mr. Curry) questioned the Government's approach to the discussions in the Council, particularly on the issue of the future financial perspective. However, it is surely right to acknowledge that the current discussions about the future financial perspective are taking place in the context of a much wider debate about the future of Europe, which has been reflected in our deliberations and discussions this afternoon. That debate is about how the EU responds to the challenges of globalisation and technological change, how the EU addresses the needs of its citizens and how the EU adds value through its agenda to take forward growth and prosperity.

I agree with the right hon. Member for Skipton and Ripon about the importance of the next World Trade Organisation ministerial meeting in Hong Kong, and I assure him that we are determined to continue our work on a pro-poor, pro-growth agenda in the world trade talks. Although tomorrow's discussions in the European Council will be important, further discussions will take place in Gleneagles between 6 and 8 July, after which much critical work remains to be done at a European level to ensure that we have a strong position when we continue those discussions in Hong Kong in December.

The Commission has proposed an EU budget of €1 trillion or 1.26 per cent. of gross national income, a real-terms spending increase of 35 per cent. or €260 billion. The British Government take the view that that increase is unacceptable. Furthermore, the Commission has not come up with any proposals to reform expenditure. We believe that a budget of 1 per cent. of gross national income, which is €815 billion over the period 2007–13, is ample for the EU's needs.

In his opening remarks, my right hon. Friend the Foreign Secretary set out the Government's position on EU expenditure and, more specifically, on Britain's rebate. The UK was given an abatement back in 1984 because of its low share of receipts and above-average contribution, and there is no doubt that that situation continues today, even with the abatement. In the eight years between 1995 and 2003, the UK's

[Mr. Alexander]

contribution to the EU was two and half times that of France and Italy, even with the British rebate. Without the rebate, we would have paid 15 times more than France and 12 times more than Italy. In that same period, the UK received the lowest average per capita share of receipts of all member states, hence, as we have made clear, the UK abatement remains fully justified.

Some member states argue that the UK rebate is no longer justified because spending on the CAP counts for a lower proportion of EU spending now than it did when the abatement was agreed in 1984.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Darfur

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coaker.]*

7 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am very pleased to be able to speak on the Adjournment on the absolutely crucial issue of what is still happening in Darfur in Sudan. Because of things called elections, it has been some time since we have had the opportunity to raise the subject. I pay tribute to my hon. Friend the Minister and welcome him to his new position. He listened to part of the previous debate, but I am sure that he is now much more at home with the issue of Africa, and Darfur in particular.

My premise is that, sadly, there is little evidence to suggest that things have improved since we last debated this terribly serious situation, which is probably, at the moment, the world's worst humanitarian disaster bar none. I do not have to use my own words—I will read a quote from Kofi Annan from the Addis Ababa pledging conference of 26 May:

> "We are running a race against time. The rainy season and the hunger gap are approaching fast making now relief operations more difficult, just as they need to expand even further. If violence and fear prevent the people of Darfur from planting and growing their crops next year then millions will have to be sustained by an epic relief effort which will stretch international capacity to the maximum."

I hope that I come to this debate with some experience. I think that I am about to be anointed as the chair of the all-party group on Sudan. I have a considerable interest in the subject, as does my hon. Friend, in this context, the Member for Buckingham (John Bercow). We visited Khartoum and Darfur last year, and he went subsequently with the International Development Committee. We have seen first-hand the depths of the crisis.

I pay tribute to Sultana Begum, who is the administrative officer of the all-party group. She has been instrumental in my bringing this debate forward and helped me to write my speech.

I do not have time to go through the history of this tragedy, which we have considered in various debates. I want to go right to the nub of what is happening and what needs to happen. The fact that so many organisations have written to me shows that it is a live issue. Thankfully, it has not been forgotten by the non-governmental organisations—the International Committee of the Red Cross, the International Crisis Group, Unicef, Protect Darfur and Waging Peace, among others. In the past couple of days I have had enormous wodges of paper showing that representations are still going on.

In explaining the point that the crisis has now reached, I make no apology for starting with the humanitarian problems. The rainy season is about to start in Darfur. That will affect mainly the southern parts; sadly, much of the north gets hardly any rain. This huge area has great disparities of climate. Chad, which has similar climatic features, has many refugees and internally displaced persons. The big problem is that there will be yet another season throughout which people are unable to plant, and the agricultural background of many of these people will start to be

severely tested. They are unable to reclaim their land even if they could get access to it through any improvement in security.

The World Food Programme announced a shortfall of $167 million, which makes it difficult to feed an estimated 2.5 million people in 2005. Inevitably, there is some process of catch-up, but those figures give an idea of the depth of the crisis. It is believed that at least another million people will need food aid from May to September.

We are two years into the crisis and, although proposals have been made and the world has engaged in various ways, it remains huge and is getting worse. The world has yet to break the back of it. That is the responsibility of us all, not only the United Nations or those who are on the ground. To be fair, this country has taken a strong lead. My right hon. Friend the Secretary of State for International Development said in a letter that the position in Darfur was worrying and ascribed it to the continuing insecurity. He emphasised the particular worry of the harassment of non-governmental organisations, which adds to the humanitarian crisis.

The first of several questions to my hon. Friend the Minister for Trade is: what preparations have the British Government put in place to deal with the internally displaced persons crisis, not only in terms of food, but shelter, health and—dare I say it—even some education for the children?

On 9 June, the United Nations mission in Sudan—UNMIS—declared that the town of Muhujariya in south Darfur was a no-go area for UN staff following a conflict between rebel forces and Government troops. Again, that bears out my comments about the problems of the security situation. Such events are a regular occurrence. Although there has been greater stability in some places, sadly, trouble is breaking out in many others and there are insufficient people on the ground to deal with that.

There is no evidence that the Janjaweed has been reined in. I was present when the hon. Member for Buckingham asked whether the Janjaweed was not being reined in because the regime could not control it—if that is the case, we need to put troops on the ground, with the backing of the Government in Sudan—or whether the Sudanese Government were complicit in the actions of the Janjaweed because it is that Government's secret militia, albeit no longer so secret. If the latter is the case, we must deal with the Government of Sudan. We did not get an answer to that question. I gather that there is no answer. However, the position is unacceptable. The Janjaweed must be tackled. We are not only considering what happens in the rural areas, but all the pressures in the camps, with allegations of the rape of the women and attacks on the men.

What is the British Government's assessment of the security position? Do they perceive any improvements on the ground? What are they doing to put in place ways in which to provide greater security? I was pleased to read in the past couple of days that we are sending some RAF personnel to help the African Union as it ratchets up the number of troops from 3,000 to more than 7,000. Sadly, such action appears to be too little, too late but at least it is happening. Our support is needed for the logistics involved in getting people where the trouble is quickly and moving the food around so that we can feed people.

I have already mentioned the specific problem of sexual violence in and around the camps. According to the Sudan Organisation against Torture—SOAT—which comprises an incredibly brave group of people, whom the hon. Member for Buckingham and I had the opportunity to meet in Khartoum, rape and sexual violence are being used as tools to frighten the population. Again, what measures do her Majesty's Government believe are necessary to deal with that specifically? Given the threat to non-governmental organisations, with personnel feeling themselves to be at risk, the most vulnerable people are women and children. If fewer people are out there supporting indigenous groups, there is a self-fulfilling prophecy if outrages still take place. What are the Government doing with the UN, the African Union and others to protect those most vulnerable of people? What representations are Her Majesty's Government making to the Government of Sudan to make it clear that this must be dealt with today? The matter cannot be pushed away, as a tragedy is unfolding, and the security situation must be addressed.

I have already mentioned the African Union. Clearly, it has been argued, across the House, that there were too few troops and that they needed much more logistical support. In the previous debate—I make no apology for mentioning this again—I said that the apparent turf war between NATO and the EU about who is responsible for some of the airlift and new troops is not helpful. We have got to make sure that such squabbles do not get in the way of what needs to happen now. What efforts are we making to try to overcome those squabbles?

I want to examine quickly the role of the African Union. Clearly, Africa is taking responsibility, which is pleasing, but it cannot take responsibility in isolation. It took a long time to get meaningful Security Council resolutions, and more particularly, the back-up to those resolutions to ensure that the issue got the serious attention that it needed.

John Bercow (Buckingham) (Con): I pay tribute to the hon. Gentleman's sterling and continued work on this subject. Surely one of the problems of the observer and limited protection role of the African Union mandate is that it requires the African Union to work for and depend on the agreement of the Government of Sudan? Does he agree that what is really needed is a chapter VII United Nations peace enforcement mandate, which, with replenished and increased African Union troop numbers, could allow for the disarmament of the Janjaweed, as well as allowing for the erection and maintenance of a no-fly zone?

Mr. Drew: I agree with the hon. Gentleman, and it is a tragedy that we have not at least had that debate. It is wrong that that issue has apparently always been just pushed away. It is about time that we had that debate, and if it is not to be pursued, we need to know why not.

It is good that the situation has now been referred to the International Criminal Court. Some of the people whom we met in Khartoum should be a bit more fearful, rather than swanning around Khartoum with no thought that anyone would ever chase them for the outrages for which they have been at least partly responsible. What leverage are the Government putting on the Government of Sudan to make sure that the

[Mr. Drew]

people who have been responsible, at least in part, for such outrages, will be cited at the Hague? It is good to know that the Americans have at least been helpful in that regard, even if they will not sign up to the ICC.

In the remaining minutes, I want to move slightly away from Darfur to the wider situation in Sudan, although that backwashes in terms of the peace negotiations. Clearly, it would be good to know what the Government think is happening with regard to the two sides in Darfur, but also how that fits within the comprehensive peace agreement. The good news is that the CPA between the north and the south seems to be holding, notwithstanding Darfur. Some would say that the events in Darfur are a consequence of peace in the north and the south. I do not want to get into that debate, but I want to know that we are still actively engaged. It is very pleasing to hear, for example, that Alan Goulty has been reappointed as the special envoy after his period elsewhere, but how can he play an active part both through the CPA and in trying to bring peace to Darfur?

My final points relate to the amount of aid and other assistance that we are providing. It would be good to know what finance we are putting into the relief effort, but also into trying to bring some security to Darfur. Are we looking to increase the number of personnel in an expert role being moved into that theatre of conflict? There is also the question of how the CPA is not being allowed to wither. Are we ensuring that the CPA timetables are being adhered to? Darfur takes people's eye off that and, as my hon. Friend the Minister will know, there are worrying examples of conflict in eastern Sudan, around Port Sudan in the Red Sea state. Again, it would be interesting to know the Government's engagement with that.

I make no apology for yet again bringing the issue of Darfur back to this place. It is right that we, through the Government and through Parliament, play our part in urging an early conclusion to the conflict and, more particularly, those desperately sad scenes, which should be coming to an end. It appears, however, that that is far from the case.

7.16 pm

The Minister for Trade (Ian Pearson): I congratulate my hon. Friend the Member for Stroud (Mr. Drew) on securing this Adjournment debate on Darfur. The high level of interest that he and others continue to show in Darfur, and in Sudan as a whole, is very welcome.

Sudan is at a critical juncture. The opportunities presented by the signing of the comprehensive peace agreement on 9 January are clear: the agreement ends more than 20 years of terrible civil war and paves the way towards a more democratic and inclusive system of governance. We must continue to support the parties in implementing this historic agreement, but, as my hon. Friend explained, we must also remain focused on resolving the conflict in Darfur. With almost 2 million people displaced from their homes, it remains one of the worst humanitarian crises in the world today.

The Government remain gravely concerned about the situation in Darfur and are firmly committed to finding a peaceful solution to the conflict. In the last year, there have been a number of high-level ministerial visits to Sudan, including by the Foreign Secretary, the Secretary of State for International Development and the Prime Minister. My right hon. Friend the Secretary of State for International Development has just completed a further visit to Sudan and is in Addis Ababa, talking to the African Union about its efforts to resolve the crisis.

During the visit, my right hon. Friend travelled to Darfur, the south of Sudan and Khartoum. In Darfur, he had the opportunity to see for himself the situation of those living in the camps, and to hear their stories, when he visited Abu Shouk and Kalma camps. He also spoke to United Nations and non-governmental organisation representatives in Darfur. It is clear that humanitarian agencies in Darfur face considerable constraints on their activities because of the security situation. As my hon. Friend the Member for Stroud pointed out, continued harassment by the local government, and attacks by the rebels and Arab militia, are limiting the activities of the aid agencies and restricting access.

Our embassy in Khartoum regularly presses the Government of Sudan on the need to ensure unfettered access for humanitarian workers, and we are also pressing the rebel leaders to stop attacks by their forces on aid convoys. During his visit, my right hon. Friend pressed the First Vice-President on this issue and urged him to prevent intimidation of aid agencies by local authorities. In particular, he raised the case of the two Médecins sans Frontières workers—my hon. Friend also referred to it—who were detained following the MSF report on rape in Darfur. We expect the issue to be resolved shortly.

Access for humanitarian agencies will become increasingly difficult during the rainy season, which has just started. The UN and humanitarian agencies are preparing for this by pre-positioning food and non-food items. They are giving particular priority to areas that will become inaccessible by road. Supply of food remains precarious and the UN is reviewing requirements. It faces major challenges in increasing its response and enhancing its distribution and logistics capability. To meet those challenges, there is a need for timely and significant contributions from the international community. The UK has contributed £75 million to the humanitarian programme for Sudan for this financial year, and we are pressing others to do more. Despite the problems faced by the agencies, they are reaching more and more people, thanks to the phenomenal effort of humanitarian workers on the ground. I am sure that the whole House will want to pay tribute to their work.

My hon. Friend asked about our assessment of the security situation more generally. Insecurity remains unacceptably high, but its causes have changed. The majority of attacks by the rebels and armed militias appear increasingly to be motivated by economic, rather than political, gain. Banditry is on the rise and, against the background of the annual cattle migration from south to north Darfur, tribal tensions are mounting. In recent months, the situation in Darfur has been generally calmer, with a substantial reduction in clashes between the parties, considerably fewer ceasefire violations and a welcome reduction in the number of attacks on civilians. This has been reflected in the UN Secretary-General's monthly reports.

We welcomed the Government of Sudan's withdrawal in February of their Antonov bombers from Darfur and the fact that, since then, there have been no reported attacks by the air force. The Government of Sudan have also withdrawn from the areas that they occupied in December and January and allowed the African Union's monitors to move in. In his April report, the UN Secretary-General concluded that the Government of Sudan

"did not conduct any attacks against rebels or civilians"

during that month.

For their part, during this period the rebels also launched fewer attacks against Government forces, although they continued to attack police stations. Recent weeks, however, have seen an increase in activity by the parties involved, particularly the rebels, who are responsible for a number of attacks on aid convoys and for the detention of humanitarian workers. Our assessment is that the increased rebel activity may have been an attempt to strengthen their negotiating position ahead of the resumption of the Abuja talks. Whatever the reason, we have made it clear that it must stop immediately. Attacks on aid convoys are totally unacceptable and seriously damage the delivery of humanitarian assistance.

John Bercow: If there are grounds for genuine optimism, that is to be welcomed, but I put it to the Minister in all sincerity that there is another interpretation of the reduction in violence that he described. Could it not be, as many serious observers believe, that the reality is that most of the population has now been corralled into internally displaced person camps, that there are few villages left to bomb and that the ethnic cleansing of the black African population of Darfur is now largely complete?

Ian Pearson: I know that the hon. Gentleman takes a deep interest in these matters and I will answer his question in due course.

It is right to say that the Government of Sudan have a very long way to go in fulfilling their commitments. They need to rein in the Arab militias and provide adequate security to enable people to return to their homes. The continuing climate of lawlessness and banditry in Darfur has meant that, for yet another year, its people have been unable to plant their crops. The traditional coping mechanisms are exhausted and the difficulty faced by humanitarian agencies in getting to the outlying regions has led to more people moving into the camps.

Until the security situation improves, people will not return to their homes. The AU has a crucial role to play. Where it is deployed, the AU monitoring mission has been effective in improving the security situation and in preventing attacks against civilians. It is providing patrols to enable women IDPs to leave the camps to collect firewood without fear of rape or assault. However, the impact of the AU's 3,000 troops is of course limited, and it has faced management and logistical constraints as well as a lack of capacity. That is why we fully support the AU's recent decision to increase the size of its mission to over 7,000 personnel, which will allow the AU to achieve a greater geographical coverage and to provide a more permanent presence for areas where it is already deployed.

Gordon Banks (Ochil and South Perthshire) (Lab): Will my hon. Friend give way?

Ian Pearson: I am afraid not. I want to answer the questions put by my hon. Friend the Member for Stroud.

The Government announced on 13 June an increase in our contribution to the expansion of the mission to £19 million, from the £6.6 million that we announced at the AU donor conference on 26 May. That brings our total contribution to the African Union mission in Sudan since its inception to almost £32 million. We will use the money to purchase up to 500 additional vehicles and further rapid deployment equipment for the AU.

Other international partners have also announced considerable support for the AU, including an additional $133 million from Canada and $50 million from the United States. Both NATO and the EU have also been asked to provide assistance, and they are discussing how they can help to present a clear and co-ordinated package of support for the AU. As part of NATO's efforts, and subject to requirements and efforts by other donors, we have allocated funding to provide airlift for up to three battalions to Darfur. Through the EU's efforts, we are also keen to support the civilian policing part of the mission. Civilian policing will be vital to long-term peace and stability in Darfur.

My hon. Friend asked about the AU's mandate. The current mandate calls on the AU to contribute to a secure environment for the provision of humanitarian assistance, which includes allowing it to protect civilians under imminent threat of attack. A detailed military assessment mission to Darfur in March looked at the AU's current performance and at the possibility of expanding the mission and extending the mandate still further. This assessment mission concluded that the mandate was sufficient to help promote peace and security in the region, but that more troops were needed to deliver it effectively. However, the AU has said that, within its current mandate, the expanded mission will focus more on the provision of security, and the increased number of troops will allow it to do that.

Of course, a peace support mission by itself will not solve the crisis in Darfur. There can be no military solution, which is why we welcome the resumption of the AU-mediated peace talks in Abuja. We also welcome the news that all the parties are attending the talks at a high level. A UK observer is present, and will provide support and advice, as required, to the parties and to the AU mediation. We are pressing all sides to negotiate in good faith at the talks, and to reach agreement on the declaration of principles on which the AU has been working with the parties over recent months before moving on to discuss issues of power and wealth sharing. Talks are expected to last until the first week of July, although while progress is being made no formal restrictions will be placed on their conclusion.

The Government have worked hard to maintain pressure on all sides to stop the fighting and engage constructively in political dialogue. We have also worked to ensure a co-ordinated international approach

[Ian Pearson]

to the problems in Sudan, and the EU and the UN have been included in that. The UK strongly supported the latest three Security Council resolutions on Sudan: resolution 1590, on deploying a peace support operation to southern Sudan; resolution 1591, on extending sanctions to the Government of Sudan and imposing targeted sanctions; and resolution 1593, which we sponsored, referring the grave violations of human rights and international humanitarian law that have taken place in Darfur to the International Criminal Court.

The international community showed the strength of its support for the comprehensive peace agreement, and for Sudan, at the Oslo donor conference in April, where $4.5 billion was pledged. Much of that support will go to the south. But we have made it clear to the Government of Sudan that the full benefits of support will not be realised without peace in Darfur, and that we will not be able to proceed with work on debt relief until that is achieved.

The Prime Minister has put Africa at the top of the UK's agenda for its EU and G8 presidencies. The parties in Darfur and across Sudan are now faced with a clear opportunity to achieve a much-deserved peace for the people of Sudan, and for the region as a whole. There is much to do, including implementing the CPA, creating a secure environment in Darfur for people to return to their homes, and negotiating a peace agreement. The UK Government are committed to helping the Sudanese people to achieve those goals. We will continue to work hard, with the AU—

The motion having been made at Seven o'clock, and the debate having continued for half an hour, MR. SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Seven o'clock.

House of Commons

Thursday 16 June 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SKILLS

The Secretary of State was asked—

Schools Building Programme

1. **Mr. David Amess** (Southend, West) (Con): What recent representations she has received on the schools building programme. [4740]

The Secretary of State for Education and Skills (Ruth Kelly): We receive many representations on the schools building programme. In recent months, for example, my officials have offered discussions to all authorities on their capital strategies. That will continue, as we fulfil our commitment to rebuild or refurbish every secondary school in the next 15 years, and half of all primary schools from 2008–09.

Mr. Amess: I welcome the Government's commitment to improving the quality of secondary school stock through their building schools for the future programme, but I understand that that will not have an impact in Southend before 2011. However, there is at present a limited supply of secondary school places, parents have limited choice and I understand that the allocations will benefit only one particular school. Is there any possibility that the right hon. Lady might consider bringing forward the programme for Southend, given the special circumstances there?

Ruth Kelly: I thank the hon. Gentleman for his comments. It is really good to hear an Opposition Member welcoming the Government's significant capital investment programme. One thing is worth making clear: when the Government came to power in 1997, capital investment in school buildings was £700 million. That might be said to have been a lot of money, but capital investment this year amounted to £5.5 billion. I understand that Southend has already received significant capital investment, and that it is eligible under the targeted capital fund for additional investment to replace a whole school, or to receive two separate tranches of £6 million for two different schools. We will announce the results of the bidding process in the autumn.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Everyone welcomes the massive expenditure and investment in our schools building programme, but does my right hon. Friend agree that the schools that we build in the future can be either awful or wonderfully well designed and sustainable? This morning's *Financial Times* contained a worrying article in which a member of her Department said that future schools—and even academies—could be built more cheaply and effectively using off-the-shelf designs. For me, off the shelf means that the buildings will be poorly designed and unsustainable.

Ruth Kelly: I can guarantee that school building designs will never be off the shelf, but that does not mean that there will not be a range of designs available to inform architects' design processes, and into which head teachers can have an input. However, it is important that we include an element of innovation in school design as we move forward.

Mr. Mark Francois (Rayleigh) (Con): May I support the plea for additional educational resources for Southend? Around the border between my constituency and that of my hon. Friend the Member for Southend, West (Mr. Amess), there is a problem arising from the lack of secondary school places. It would be very helpful if some additional resources could be made available so that extra secondary school places could be provided. The intensive house building that has gone on in both constituencies has made the problem worse.

Ruth Kelly: There is a danger that a consensus might develop across the House that capital investment in schools is a good thing. I welcome the support for the Government programme in Southend expressed by the hon. Gentleman and the hon. Member for Southend, West (Mr. Amess). If they feel that this is a serious matter about which they would like to write to me, I will of course consider that representation.

Andrew Gwynne (Denton and Reddish) (Lab): Most secondary schools in my constituency are now over 50 years old and well past their useful life as quality buildings. Is my right hon. Friend the Secretary of State aware that Tameside council, through the building schools for the future programme, is embarking on rebuilding seven high schools as part of the largest school building programme in the borough since the 1950s? Will she do all that she can to ensure that the long-term investment put in by this Labour Government continues, so that excellent Labour councils such as Tameside can eventually meet their ambition to rebuild and refurbish not just seven high schools but all the secondary schools in their areas?

John Bercow (Buckingham) (Con): Answer!

Ruth Kelly: I will answer, and I thank my hon. Friend for his comments. It is important that we begin in those areas where educational need and social disadvantage are most acute. As we roll forward this programme over the next 15 years, we will be able to rebuild, renew or refurbish to world-class standards every secondary school in the country.

Special Educational Needs

2. **Miss Anne McIntosh** (Vale of York) (Con): If she will make a statement on her policy on special needs in education. [4741]

8. **Mr. Desmond Swayne** (New Forest, West) (Con): What plans she has to review her policy on special schools. [4749]

The Minister for Children and Families (Beverley Hughes): The Government's special educational needs strategy entitled "Removing Barriers to Achievement" was published in February 2004 and sets out a clear vision for improving support and outcomes for children with special educational needs. It also sets out action to ensure that children with special educational needs receive the help that they need from schools and other services as quickly as possible. That strategy was informed by a review of special schools, and we believe that such schools have a crucial role to play in teaching children with severe and complex needs and sharing expertise with mainstream schools.

Miss McIntosh: I thank the Minister for that answer and congratulate her on her new appointment. Will she join me in praising the excellent work of Mowbray special school in Bedale in the Vale of York? Is she aware that there is a severe shortage of places for 16 to 19-year-olds, particularly those suffering from autistic spectrum disorder and severe learning difficulties? What does she propose to do to meet that lack of provision?

Beverley Hughes: I thank the hon. Lady for her kind remarks. I am aware of the developments in Mowbray. They map out what many local authorities are trying to do in reorganising, reconfiguring and improving the quality of provision for young people with special educational needs. She has raised with me a particular shortage; I am sure that the local authority is taking that issue on board. If she writes to me I will look into the matter, but she knows that responsibility for meeting the needs of all children across the board, including those with special educational needs, rests with the local authority. Our strategy sets out how local authorities can best do that.

Mr. Swayne: Has the Minister experienced the frustration of parents who face almost insuperable barriers in securing a statement only to find that it is so unspecific as to be virtually unenforceable, and their frustration that very few schools provide the adequate resources and capabilities required? There has to be a moratorium on the closure of these schools. Does the Minister agree?

Beverley Hughes: On the hon. Gentleman's last point I do not agree. I think a moratorium on closures of special schools at the moment would create complete gridlock in the system. It would create chaos and great uncertainty for parents, and it would create difficulties for local authorities, which are trying to go through a process of reorganising and improving schools. Sometimes that does involve closure, but if the hon. Gentleman looks across the country he will see that where there have been closures, there have almost always been mergers, openings of new schools and extensions of existing schools, because local authorities are trying to provide an improved service and better provision.

On the particular point that the hon. Gentleman raises, I think that there are issues with the statementing process. We know that some parents find that bureaucratic and delayed. But the best practice that we are promoting among local authorities, and which some are achieving very well, is to in a sense set aside the statementing process to intervene very early, to identify children's needs early—which is what parents want—and then to give the resources to schools, so that children can be supported adequately. Where that is happening, parents are not seeking statementing; very often they are seeking it as a lever for resources, and if the resources go in early they do not need a statementing process.

Mr. George Mudie (Leeds, East) (Lab): I hear what the Minister says but a situation is developing in north-west Leeds where parents' wishes are being totally ignored. The private company that a past Secretary of State put in to run education is closing the school, threatening governors and taking no notice of parents, and the children do not know where they will be going when they come back in September. We do not have a local authority to deal with education in Leeds, so I wonder whether the Minister would ask her officials to look at this, and would she care to meet a deputation of Members from Leeds to discuss this matter?

Beverley Hughes: Of course I am happy to meet Members of the House at any time to discuss local circumstances. I am not sure whether my hon. Friend is talking about special schools here or talking more generally.

Mr. Mudie: Special schools.

Beverley Hughes: My hon. Friend will know that in any local authority area, whatever the arrangements, there is a robust process, which everyone must abide by, that allows local people and a local committee and, if necessary in relation to special schools, an independent adjudicator, to make decisions if there cannot be resolution at local level. I do feel that this has to be a local decision. I understand that sometimes that is very difficult for parents and that there is disagreement, but there is a robust process to ensure parental involvement and to resolve the issue in a fair way at the end of that process.

Laura Moffatt (Crawley) (Lab): In Crawley, we have a brand-new school for young people and children with special educational needs called Manor Green. It is proving to be one of the most wonderful innovations for parents and children in my area. But West Sussex county council has decided that because the school has moved slightly closer to many parents, they cannot now get travel arrangements for their children. Will my right hon. Friend look at that issue and find a way to compel West Sussex? Parents in my area who are trying to get three or four children to this fantastic new school, where they desperately want them to go, are finding that West Sussex has put enormous difficulties in their path.

Beverley Hughes: I understand that my hon. Friend wants to support parents in the changes that have taken place in her constituency, but she will understand that it is for local authorities, with parents, to decide such issues. Ministers are often berated for involving themselves too closely and for wanting to take local decisions, yet sometimes when local authorities make decisions that are not fully supported, there are calls for Ministers to intervene. I am certainly happy to discuss the matter with her, but at the end of the day the decision has to be for the locality.

Mr. Mark Prisk (Hertford and Stortford) (Con): My constituent, Julie Maynard, is one of many people who feel that the whole system of special needs statementing seems designed almost to hinder parents rather than to help them. Will the review, which the Secretary of State promised during the run-up to the general election, include the statementing process, and can the Minister give Mrs. Maynard and many other constituents of mine a genuine and categorical assurance that if any policy changes are proposed and implemented they will be matched pound for pound by central Government funding?

Beverley Hughes: As I said in my first answer, there was a full review of special school arrangements in the lead-up to the formulation of the strategy that was published in February 2004. The review was undertaken by an independent working group and published its report in March 2003; it is available if the hon. Gentleman wants to read it. There was a full review of the whole process and its recommendations were incorporated in the strategy we produced a year later. The audit that is going on at present comes from that strategy; it is a specific audit of provision nationally and in local authorities for the relatively small number of children who have high and complicated needs relating to specific conditions. The audit was called for because those are the children for whom it is most difficult for local authorities to find adequate placements. As there will be only a small number of such children in an individual local authority, the first stage is to map where the provision is so that local authorities can work together more closely and find suitable places, if necessary outside the local authority area, for the small number of children with high levels of need.

I have already commented on the statementing process, but I take the hon. Gentleman's point about it. Work is going on. I understand that some parents find the process bureaucratic, but the answer is to intervene early so that we do not need a statementing process for so many children, because parents feel that their needs are adequately met at their school.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Does my right hon. Friend agree that there is a tendency for many local education authorities to ignore the expertise of teachers in both special needs and mainstream schools? Does she agree that the same freedom should be given to special needs teachers as is given to mainstream teachers in leading improvements and innovatory practices in the education of special needs children?

Beverley Hughes: I certainly agree, although I am not aware that teachers in special schools universally feel that way. What is happening, and I very much welcome it, is that there are links between special needs and mainstream schools. Sometimes, where there are new developments and reorganisations, special schools are being built on the same sites as mainstream schools so that there can be real reciprocity and partnership. When that is not possible, such partnerships take place none the less, drawing down the incredible expertise of dedicated teachers in special schools and infusing it more widely through the mainstream system, so that youngsters with a lower level of special need who are in mainstream schools can be taught more effectively. The expertise of special needs teachers helps teachers in mainstream schools better to meet the needs of their pupils.

Mr. David Cameron (Witney) (Con): It has been very helpful to listen to the Minister's answers to the concerns expressed on both sides of the House. I am sure that she shares our concern that parents of children with very special needs should have a choice between mainstream and special schools. Will she explain why the audit, to which she has just referred, of special schools—91 of which have closed in the past eight years—will really consider only children with the most severe disabilities and learning difficulties? Given that schools for children with moderate learning difficulties have been threatened with closure, and some have been lost already, should not the audit go wider?

Beverley Hughes: As I set out, there has been a full review of special schools, leading up to the strategy that was published last year. I am sure that the hon. Gentleman must be aware of that. The strategy identified that a further and closer examination needed to be made of the provision for the children with very high level complex needs whom he identifies. Those children present the most challenges to local authorities.

Choice is absolutely paramount. Our changes to the Education Act 1981 made the choice for parents of children with special needs more effective. There has been a great deal of debate and some misunderstanding about the current position in the law and in Government guidance. When any parent of a child with special needs states a preference for a special school, there is no presumption of inclusion in a mainstream school and the local authority has to make the recommendation for the placement on the basis of the usual criteria: the needs of that child, the needs of other children and the issue of resources. The hon. Gentleman will also know that, in addition to that and at every step of the way, there is a robust system of appeal for parents—an appeal if they are refused an assessment, an appeal if they are refused a statement and an appeal if the statement does not include their preferred special school. Choice for parents is paramount, and I think that we have a system that gives parents choice and that supports that choice with a robust appeals system.

Mr. Speaker: May I ask in the nicest possible way for shorter answers?

Mr. Cameron: I hear what the Minister says, but she must accept that parents up and down the country feel that the law is biased. If they do not mention a preference for special schools, they are sometimes not

even told that they exist. Should not the audit consider such issues? We are grateful for some extra detail but we want to know who is on the audit, who is running it, who will be consulted and what the precise remit is. No details have been given to the House. In the meantime, why will the Minister not take up our clear proposal that there should be, as my hon. Friend the Member for New Forest, West (Mr. Swayne) said, a moratorium on the closure of special schools until the audit is actually reported and discussed. She says it is gridlocked, but is it not the case—

Mr. Speaker: Order. I should have said that questions should also be brief.

Beverley Hughes: In the interests of brevity rather than avoiding the question, perhaps I can refer the hon. Gentleman to what I have already said to the hon. Member for New Forest, West (Mr. Swayne) about a moratorium. It would create chaos and uncertainty for parents, and would take away from local authorities their responsibility for decision making. It is interesting that other parts of the hon. Gentleman's party are calling for more devolution of decision making but, on this issue, they want to pull back power.

I will be brief, Mr. Speaker, but it is important that the debate does not polarise the issue. It is an important, emotive and complex issue for every parent and child. Some parents want their children included in mainstream schools, but others want a place in a special school. We need to ensure that the system can deliver as easily and accessibly as possible what individual parents want. I am with the hon. Gentleman on that. With consensus on those points at least, I hope that we can work towards that end. I think that statementing needs some improvement but, generally, that the system is working for most parents.

School Discipline (Leicestershire)

3. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assistance her Department is giving to Leicestershire schools to promote good behaviour in the classroom. [4742]

The Minister for Schools (Jacqui Smith): The Government are providing schools in Leicestershire with powers, training and guidance to deal with disruptive behaviour, including audit and training materials in secondary schools and new support for primary schools in teaching the skills for good behaviour. Leicestershire also has a behaviour consultant funded by the Department for Education and Skills.

Front-line professionals, with the support of parents, make the difference in schools. That is why we have asked 13 heads and teachers with a proven track record to advise us by the end of October on how to ensure that good practice is spread and on whether new powers are needed.

David Taylor: Rather like in this Chamber, the prerequisites for good behaviour in the classroom include discipline and respect, both of which are more likely to flow from staffroom initiatives than from ministerial edicts. Will the Minister accept the invitation from Ashby school, a large and successful 14-to-19 comprehensive in North-West Leicestershire of which I am a governor, to look at our good behaviour incentives and totting-up system that imposes a varying number of points from the most minor misdemeanour to the most serious offences? Twelve points will lead to exclusion. Is not this approach—a mixture of reward and sanctions—the most likely to achieve improvement both in the classroom and in this Chamber?

Jacqui Smith: My hon. Friend is absolutely right. Ministers can ensure, as we are doing, that support and training are in place for our schools, but we cannot legislate for good behaviour. Teachers and other staff in our schools and classrooms are ensuring that those places are orderly in the vast majority of cases, and I also agree that they are more orderly than the Chamber for a vast majority of the time.

My hon. Friend makes an important point about how we can ensure that best practice, such as that to which he refers, is shared, and that is one of the tasks that we have given to the leadership group. I would be pleased to visit the school and hear about its approach, and I am sure that the group would want to hear about it, too.

Mr. Edward Garnier (Harborough) (Con): Will the Minister tell me what on earth is a behaviour consultant? How much does that person cost, and would the money not be better spent directly on schools in Leicestershire, which is the lowest funded local education authority in the country?

Jacqui Smith: Considerable extra money is being spent in our schools on supporting good behaviour and raising standards. One issue rightly identified by staff in schools is the support available to help to implement the changes that many of them are putting in place. It is easy for the hon. and learned Gentleman to take a slightly sneering approach to the support provided for schools. Of course we need to get the balance right, but many schools have welcomed the assistance provided by behaviour consultants. It is also important that we get the money for behaviour as close to schools as possible, which is why my right hon. Friend the Secretary of State has proposed that we devolve more money and give head teachers the responsibility to collaborate to come up with new approaches on supporting behaviour and tackling disruption that could be even more effective than the current system.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Good behaviour is an issue among students themselves because they recognise the disruption that can be caused. During my discussions with sixth-formers, they often identify specific problem years in their schools. I would like to go back to what the hon. and learned Member for Harborough (Mr. Garnier) said about school funding. The fact that Leicestershire continues to be the lowest funded authority causes severe problems in individual schools when new initiatives come along because we are trying to catch up with existing initiatives without adding on others. I say that as a governor of a school that is having difficulties implementing the work force agreement. Funding is currently being discussed, so will the Minister look again at the funding formula to ensure that Leicestershire gets the extra pocket that would allow us to make real progress?

Jacqui Smith: I am sure that my hon. Friend is pleased to know that just behind the key stage 3 strategy on behaviour and attendance an additional £75 million is being made available to places including Leicestershire, as I have spelled out. I am aware of the arguments about funding that he is making. I am meeting the F40 group today to discuss precisely some of the issues that he raises, so I assure him that they remain high in my mind.

Mr. Andrew Robathan (Blaby) (Con): May I gently tell the Minister that the front-line professionals and parents about whom she speaks do not talk to me in Leicestershire about marvellous new initiatives on good behaviour in the classroom because they talk to me all the time about funding, as the hon. Member for Loughborough (Mr. Reed) said? There is a remarkable cross-party consensus on the matter. Why is Leicestershire the worst funded education authority in the country? Two years ago, I took a cross-party group to see the then Secretary of State, the right hon. Member for Norwich, South (Mr. Clarke), but we still have no satisfactory answer to why we are so badly funded compared with Leicester, which is across the boundary from my constituency.

Jacqui Smith: I have responded partly to the points about Leicestershire's funding, but I am sure that when the hon. Gentleman talks to parents and front-line professionals in his constituency, they also talk about the considerable improvements to standards and behaviour that they have seen due to the extra £740 per pupil that has been received in Leicestershire since the Government came to power. I also have no doubt that during the general election campaign they compared the Government's record and plans for further investment with his party's plans for cuts.

Primary Schools (Admissions)

4. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): If she will make a statement on admission criteria in primary schools. [4744]

The Secretary of State for Education and Skills (Ruth Kelly): Primary schools and local authorities need to have regard to the admissions code of practice when setting their admissions arrangements. They may not introduce selection, but faith schools may give priority to applicants of their faith.

Derek Wyatt: I thank the Secretary of State for that answer. During the election campaign, parents expressed concern that primary schools would be able to select on academic ability. Will she reassure me that that will never be on our agenda?

Ruth Kelly: I certainly make the pledge that not only will we never introduce further selection at the age of 11, but we will not introduce selection at the age of five either. I will have nothing to do with that now or in the future. Perhaps now that the electorate have delivered their verdict on the Conservatives' proposals, they will drop that foolish idea as well.

Dr. Vincent Cable (Twickenham) (LD): In setting admissions criteria for primary schools, should local councils, as local education authorities, be allowed or, indeed, encouraged to give preference to their local residents?

Ruth Kelly: When determining admissions arrangements, local councils must have regard to the admissions code of practice, which contains various matters that local schools and authorities can take into account—for example, whether there are siblings or whether people live in a local catchment area. Those are legitimate things to have regard to, and I, from central Government, would not want to impose any particular model on schools.

Education Maintenance Allowance

5. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): How many young people in *(a)* Durham and *(b)* England have been granted education maintenance allowances. [4745]

The Parliamentary Under-Secretary of State for Education and Skills (Maria Eagle): By the end of May 2005, 2,425 young people in the Durham local authority area and 294,488 young people in England had received one or more education maintenance allowance payment.

Dr. Blackman-Woods: I thank my hon. Friend for that response. Head teachers in my constituency have told me that EMAs are of tremendous value in encouraging young people to stay on at school, improving attendance and enhancing the qualifications and skills that young people can obtain. There is, however, a concern that communication could be better. Will she explain what is being done to make the benefits of the scheme more widely known?

Maria Eagle: We expected some 300,000 young people to be benefiting from the scheme by this stage, and we are very close to that. We do not think that nationally there is a problem with awareness. I am told that a variety of media campaigns—web-based leaflets, local radio and newspaper advertising, and information in schools and colleges—highlight the benefits. Additional information is also provided via the Connexions service for those who are, perhaps, harder to reach. I am confident that there is excellent communication on the benefits of the scheme.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Education maintenance allowances were piloted in Liverpool. Does my hon. Friend regard them as a success? What additional proposals does she have to expand opportunities for vocational and academic education for people in Liverpool?

Maria Eagle: The pilots, which took place throughout the country from 1999 onwards, showed a great deal of success in reaching the target groups and increasing the staying-on rate among our 16-year-olds. We have to remember that we have one of the lowest staying-on rates in the Organisation for Economic Co-operation and Development, and the point of the policy is to address that.

We have plans to ensure that EMAs are expanded into vocational education so that those who are on unwaged training programmes also receive the payment in due course. Certainly, the pilot programme showed an increase in the staying-on rate of just below 6 per cent. as a result of the policy, so we have high hopes that rolling it out nationally will be a good thing.

Adult Education

6. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent representations she has received from the further education sector on adult education. [4746]

The Parliamentary Under-Secretary of State for Education and Skills (Phil Hope): I, and my ministerial colleagues, meet and correspond regularly with a range of partners across the further education sector, including individual colleges. There is also, of course, regular dialogue between these organisations and officials.

Mr. Evennett: I thank the Minister for his response. Is he aware that there is growing anger and concern in Bexley borough that from September fees will increase, courses will be cut and concessions reduced for adult education students because of cuts in the Learning and Skills Council's funding? Does he agree that further education should be not just for skills, development and training, but for leisure learning as well? Why are the Government letting down adult education?

Phil Hope: There is consensus about the new priorities that the Government announced in both the 14-to-19 strategy and the skills White Paper. We need to develop the skills base of our population, among 16 to 18-year-olds in particular, and among adults requiring basic skills at level 2, which is the equivalent of five GCSEs, in the work force. It is right that the current transition in FE seeks to make funding and, therefore, participation rates, among those groups much higher.

I do not accept that being clear about those priorities means that adult education courses have to close. We see no reason why courses that people value should close. We will continue to support those on income-related benefits who qualify, but there is a discussion about rebalancing between the taxpayer, the individual concerned and the employer the issue of who pays how much and for what. Raising fee income is one way in which we can benefit colleges. Indeed, colleges might like to consider collecting some of the £100 million that they currently waive on fees.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I welcome the additional funding for further education that the Government have provided over the years, but on further education funding generally, an issue that remains of concern to staff, parents and students at Varndean sixth-form college in my constituency and at Brighton, Hove and Sussex sixth-form college, which serves the city of Brighton and Hove, is the continuing disparity in funding between sixth-form colleges and school sixth forms. Does the Minister to propose to address that issue in the near future?

Phil Hope: I am grateful for my hon. Friend's recognition of the extra money for 16 to 18-year-olds and FE funding. Indeed, 25 per cent. more is being spent now than in 2002–03, and there has been a 4 per cent. overall increase on last year's funding. There is recognition of the funding gap between sixth forms and FE colleges. We recognise that it is an issue, and we have a commitment to close the gap, but as funding allows us to do so. That is the challenge before us. The important point is to increase learning participation rates among 16 and 17-year-olds, so that they enter the work force better skilled and able to take up jobs and sustainable employment.

Sammy Wilson (East Antrim) (DUP): Does the Minister recognise that adult and further education is not only for leisure learning, but opens the door for many people to have a second chance and for some to have a change of career, and lifts many out of poverty? What would he say to the 200,000 people who the Association of Colleges says will not be able to benefit from such courses next year? Will he explain to the House whether it is as a result of the failure of Government policy that funds are having to be redirected towards 16 to 19-year-olds who are leaving school without numeracy and literacy, which means that funds are diverted away from adult education?

Phil Hope: Far from being a failure of Government policy, it is the intent to shift our priorities to the country's economic needs and to support the ability of individuals, particularly 16 to 18-year-olds, to get skills that allow them to leave education and go into the world of work better qualified to get better-paid jobs for their own benefit and development as individuals, as well as for the benefit of companies and the country as a whole. We believe that those are the right priorities.

I believe that there is a consensus in the country about raising skills and we recognise on both sides of the House the importance of raising skill levels overall. What we are doing is a clear way of implementing those priorities. That is not to say that adult education and leisure courses, in which many Members of Parliament may have participated, should not be supported, but it is right to ask about the balance in respect of who pays for leisure adult education courses. We believe that there is an opportunity to raise fees for some leisure courses where people can afford to take them, while maintaining the taxpayer's contribution to support those in poorer areas on low incomes, so that they can also participate in those courses.

Anne Snelgrove (South Swindon) (Lab): Does my hon. Friend agree that the people of this country have welcomed the reintroduction of apprenticeships—they have certainly done so in Swindon—and can he tell me what FE colleges are doing to promote modern apprenticeships?

Phil Hope: My hon. Friend is right to emphasise the value and importance of apprenticeships. During the general election campaign, I knocked on doors and heard people say, "I'll tell you what you should do for young people: bring back apprenticeships." We have already done so, but this is one of those issues that do not get much popular recognition. We are already talking about moving from having some 50,000 apprenticeships in 1997 to having 250,000 or 300,000 a year.

I am delighted to tell my hon. Friend that I will attend the annual apprenticeships awards ceremony this evening. I am looking forward to taking a very good opportunity publicly to thank and recognise the successful and excellent apprentices whom we shall see tonight, as well as those in our colleges who are transferring their skills so that the talented craftspeople in our FE sector can be valued as well.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Minister dismisses the crisis in adult education funding and says that colleges should sort out the situation by raising fees, which is not a practical option. His Department cut the Learning and Skills Council's adult education budget by £55 million—a cut of more than 5 per cent in real terms. How does he justify that cut when 11 million adults of working age do not have the equivalent of five GCSEs?

Phil Hope: Of course, Kingston college is getting an 8 per cent. increase in its funding this year, which is above the rate of inflation. Yesterday, I visited Highbury college in Portsmouth to open its new centre of vocational excellence, which will deliver the kind of skills training that the hon. Gentleman has recognised as being essential. The Liberals always say that there is a crisis in further education, but overall FE funding has increased, and nine out of 10 FE colleges have received increased funding. One in 10 FE colleges have not received increased funding for particular, localised reasons and we expect them to discuss with their local learning and skills councils managing the funding transition in a way that makes sense to the local community. The Government are committed to skills, which are the new priority for the third term. We will deliver the skills agenda so that the Chancellor's successful economy is sustained over the years ahead.

Mr. Michael Foster (Worcester) (Lab): I listened carefully to my hon. Friend's comments about the funding gap between schools and FE colleges. Will he publish a timetable showing when he expects it to be closed?

Phil Hope: As I said, we recognise the difficulty, but my hon. Friend knows that closing the funding gap depends on the availability of resources. Our current priority is increasing the staying-on rate for 16 to 18-year-olds to address this country's skills gap, which the hon. Member for Kingston and Surbiton (Mr. Davey) mentioned. Unless we address that by transforming the funding process, we will not succeed against countries such as China and India, which are investing heavily in skills, let alone against our European competitors. We must put more money into the FE sector, which is exactly what we are doing.

Mr. Stephen O'Brien (Eddisbury) (Con): David Collins, the principal of South Cheshire college, has said:

> "We're getting 2.2 per cent. less than we were meant to. We will cut our adult education programmes by around 1,000 places . . . I would like to see more honesty from the LSC and the Government in saying that they can't afford to do what they promised."

Does the Minister think that his and the LSC's cuts in adult education are the right response to the UK's serious competitiveness and productivity problems?

Phil Hope: We recognise the productivity, competition and skills issue and have spelled out our priorities in the White Paper, "14–19 Education and Skills". We are shifting funding towards 16 to 18-year-olds, apprenticeships, basic skills and adult level 2, because we want to get more of our work force to achieve the equivalent of five good GCSEs. The hon. Gentleman and I agree on that priority, and the Government are putting in more money to make the transition happen. Local colleges will manage their budgets at local level with their local learning and skills councils, but I repeat that being clear about those priorities and that transition does not mean that all adult education courses must close. Other alternatives include raising fee income and rebalancing the taxpayer's contribution to leisure courses such as Australian cake decorating, which are perfectly valid. Where demand exists, we should provide adult leisure courses, but perhaps adult learners should pay for them.

Overseas Students

7. **Stephen Williams** (Bristol, West) (LD): If she will make a statement on the number of overseas students attending university in England. [4748]

The Minister for Higher Education and Lifelong Learning (Bill Rammell): The latest figures from the Higher Education Statistics Agency show that there were 231,400 students from overseas in English higher education institutions—an increase of nearly 40 per cent. compared with eight years ago. The Department has taken steps to encourage higher education institutions to attract more international students through the Prime Minister's initiative. We recognised in the Department's international strategy the importance of the initiative and emphasised our commitment to continue to expand the numbers of international students.

Stephen Williams: The 3,200 international students in Bristol contribute more than £28 million in fee income to the two universities in the city, inject millions more into the local economy and contribute greatly to the city's intellectual and cultural life. Given the Government's decision to increase entry visa fees by 136 per cent. from 1 July, does the Minister agree that that sends the wrong signal to students who are considering whether to come to this country or go to one of our competitors? Will he ask his ministerial colleagues, perhaps even the Prime Minister, given the initiative that the Minister mentioned, to reconsider the decision?

Bill Rammell: I thank the hon. Gentleman for his interest in the issue. I understand institutions' concern but I am sceptical about the contention that a visa fee of less than £100 for an overseas student's course that probably costs £7,000 or £8,000 a year is the critical factor in determining whether students come to this country. Nevertheless, given the importance of the overseas student sector, we must ensure that we consider

all the issues that affect the attractiveness of this country. I therefore regard setting up the joint education taskforce, which will be involved in the sector, as an important step forward. Let us examine the evidence and consider what has happened since the introduction of the Prime Minister's initiative. There has been a substantial increase in the numbers of overseas students, in marked contrast to what happened previously.

Keith Vaz (Leicester, East) (Lab): My hon. Friend will know, as a former entry clearance Minister, that it is not simply a question of an increase in the visa fees. The Home Office's proposal to abolish the right of appeal for those who want to come here as overseas students will have a massive impact on several universities. What discussions has he had with his Home Office colleagues about the proposals? Will he give an undertaking that, if any impact study shows that the number of overseas students will decline as a result not only of the proposals for entry clearance fees but the abolition of the right of appeal, he will try to persuade his Home Office colleagues to think again about these absurd proposals?

Bill Rammell: I am in regular discussions with the Home Office on those issues. It is critical to get the judgment right in the first instance through the entry clearance system about whether an overseas student is eligible for a visa. The clear advice from the Home Office is that an appeal process often means that the time lag is too great and the course has been completed. I have dealt with such issues and I know that to be the case. It is important to get the judgment right in the first place. The fact that we have set up a taskforce to oversee those issues should enable us to keep on top of the matter.

Damian Green (Ashford) (Con): The Minister knows that, of the many welcome overseas students in the country, 40,000 from other European Union countries are entitled to access to the student loan system. Unfortunately, the Government appear to have no recourse for getting the loans back from them when they return home. Is it not perverse that we appear to have a grant system for some overseas students in our universities but only a loan system for British students? What will the Minister do about it?

Bill Rammell: We are bringing back student grants for British students, but we will have a robust process to ensure that we recover debts from other European Union students. We especially anticipate relying on European Council regulation 44/2001 for the recovery of debt from borrowers who live in other parts of the EU. We are already working on the process and we will ensure that, by 2006, we have a robust system in place to recover the money.

Foreign Languages

9. **Chris Bryant** (Rhondda) (Lab): If she will make a statement on the teaching of modern foreign languages in schools and universities. [4750]

The Minister for Higher Education and Lifelong Learning (Bill Rammell): I believe that we have made good progress with language teaching. We have trained more than 1,200 new language teachers for primary schools. Our key stage 3 strategy continues to have a positive impact on pupils' attainment. Alternative qualifications and vocational options at key stage 4 allow pupils more flexibility in their studies. In universities, there has been a growth in recent years in the number of students who study languages.

Chris Bryant: Does the Minister worry that Britain is developing a terrible tendency to achieve an effortless English language superiority and to think constantly that, if only we speak English louder, Johnny Foreigner will understand? Does he also worry that the number of students learning modern languages at primary and secondary schools is falling, which is leading to fewer going on to university to study them? Finally, does he worry that we are still obsessed with learning languages that are becoming increasingly irrelevant, such as French, as opposed to languages that might be more important for our international competitiveness, such as Mandarin and Arabic?

Bill Rammell: As a former French graduate, I will not take umbrage at my hon. Friend's last comment, but this is a critical issue. We need to do more to encourage young people to study modern languages and students to take up modern language teaching through the postgraduate certificate of education scheme.

The most significant thing that we can do is to fulfil our commitment to ensuring that, by 2010, every primary student, from the ages of seven to 11, gets access in the classroom to modern languages teaching. Many, many years ago, I was part of a pilot project in a state school that enabled me to start studying French at the age of eight. That is one of the things that enthused and interested me in modern languages. I ended up studying French at university. That is the way forward and it is what this Government are committed to.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I congratulate the Minister on his appointment.

I disagree with the views of the hon. Member for Rhondda (Chris Bryant) on studying French. The Minister will be aware of the 8.5 per cent. fall in the number of 15-year-olds taking GCSE French. The numbers have fallen from 316,000 in 1994 to just 289,000 last year. Given Britain's very special relationship with France, does he regret that trend? If so, does he also regret the Government's decision to end the requirement to study a modern foreign language from the age of 14?

Bill Rammell: I thank the hon. Gentleman for his welcome, to which I respond in kind.

I am not saying that everything in the garden is rosy. We have a significant challenge in interesting young people in the study and applicability of modern languages. On the post-14 situation, we will not encourage young people to take an interest in modern languages by forcing 14 and 15-year-olds with no aptitude for or interest in studying those languages to undertake such courses. We must start at a much earlier age, which is why our commitment in primary schools is so important.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Crown Prosecution Service (Nottinghamshire)

17. **Mr. Graham Allen** (Nottingham, North) (Lab): What interaction takes place between local police officers and local lawyers of the Crown Prosecution Service in Nottinghamshire on improving mutual understanding of the process from arrest to charge; and if he will make a statement. [4732]

The Solicitor-General (Mr. Mike O'Brien): The new charging scheme in Nottinghamshire brings CPS lawyers into police stations to work closely with the police from the start of the case. In May 2005, a joint CPS-police liaison group was established to improve CPS-police working relationships in Nottinghamshire. An action plan has been drawn up following a post-implementation review. It aims to identify and resolve issues, and the group is helping to take the plan forward.

Mr. Allen: Will my hon. and learned Friend take time to thank the CPS in Nottinghamshire for some very successful prosecutions, which are only now entering the public domain? They have provided great relief and pleasure to the people of Nottinghamshire. Does he accept that the experiment of having prosecutors in police stations has been a success? Nottinghamshire was a pilot area for that scheme. Does he also accept that there is still much more that could happen informally, with prosecutors, the police, magistrates and members of the public interacting so that they all understand each other's problems? That would lead to more successful prosecutions.

The Solicitor-General: I am grateful to my hon. Friend and will convey his thanks to the CPS in Nottinghamshire. It is indeed carrying out successful prosecutions and what appears to be a successful experiment in bringing together the police and the CPS, but these are early days and we need to see how things develop. There is a lot of training going on to build the better relationships that he mentioned. I see from my notes that, in September, courses will start on training lawyers in inter-personal skills. You might feel, Mr. Speaker, that many lawyers would benefit from such training.

Richard Ottaway (Croydon, South) (Con): The Solicitor-General will acknowledge that the magistrates courts play a key role in the process. He will be aware of the report published by the Public Accounts Committee today, which blames much of the delay on lay justices. Will he take this opportunity to reject that as complete and utter twaddle and will he acknowledge that lay justices are the cornerstone of British justice and give them his full support?

The Solicitor-General: Lay justices are an enormously valuable and important part of our criminal justice system, particularly in local areas where they have local knowledge. Stipendiaries also play a vital role, particularly in our larger cities. It is therefore important to ensure that we have a criminal justice system that delivers for the victims of crime and that ensures that the guilty are punished.

John Mann (Bassetlaw) (Lab): As my hon. and learned Friend said, it is early days, but the co-operation in Nottinghamshire has led in the past 10 days to the first successful jailings of people in my constituency for breaches of antisocial behaviour orders. Will he examine how the Nottinghamshire experiment is working so that those of us who have been demanding that we name, shame and jail the neighbours from hell can see that kind of success continuing?

The Solicitor-General: One of the key changes that the Government have introduced is ensuring that we focus on dealing with the issues that concern people in areas such as Nottinghamshire—issues of antisocial behaviour. It is crucial that we link together the work that the police are doing, and that many community groups are doing, and that we ensure that the courts deliver on this issue. I shall certainly take account of the work done in Nottinghamshire, and ensure that it continues to be successful.

Murder

18. **Ian Lucas** (Wrexham) (Lab): What discussions he has had with the Director of Public Prosecutions on the mandatory life sentence for murder. [4733]

The Solicitor-General: The Law Officers meet the DPP regularly to discuss a range of criminal justice issues, including sentencing for murder. The Government have said that we will establish a review of the law on murder, and the Home Secretary will announce the way forward shortly.

Ian Lucas: Does my hon. and learned Friend agree that, approaching 40 years after the abolition of the death penalty for murder, it is now appropriate that we have a detailed and mature consideration of the law as a whole relating to murder and the sentencing relating to it?

The Solicitor-General: Yes, we need to consider all those issues. Last August, the Law Commission produced a report on the law in relation to murder and made some recommendations. The Home Secretary has made it clear that he wants to retain the mandatory life sentence for murder. None the less, we need to consider the wider issues presented by murder and the law on it, and the Home Secretary will make his announcements on the review in due course.

Mr. Dominic Grieve (Beaconsfield) (Con): I welcome the hon. and learned Gentleman to his new appointment. Does he agree that one of the reasons why the mandatory life sentence for murder should be retained is that that is the way to ensure that anyone who is released is released on life licence and can be recalled if necessary? Were a

change to having finite sentences for murder introduced, someone could not be so recalled, which would be likely to cause serious public disquiet.

The Solicitor-General: I thank the hon. Gentleman for his best wishes on my appointment. He makes a valuable point. In any review of the law on murder and sentences for murder, we will need to examine that issue. The Government's key responsibility is to ensure that we maintain confidence in the criminal justice system, protect victims and bring the guilty to justice. We must therefore have penalties in which the public can have confidence.

Edward Miliband (Doncaster, North) (Lab): I thank my hon. and learned Friend for his attention in the past few days to the case of John Barrett, who was given a life sentence for the manslaughter of Denis Finnegan, who lived in my constituency. Does he agree that the criminal justice system owes a massive apology to the Finnegan family for a systemic failure that meant that they were not told for two months about the halving of Mr. Barrett's tariff from 15 and a half years to seven and a half years? May I urge him to take action to ensure that such appalling disregard for families' rights never happens again?

The Solicitor-General: This is a bad case. I agree that the criminal justice system owes an apology for errors made by the agencies in failing to tell the family about the reduction of the sentence. Lessons need to be learned. The Crown Prosecution Service has spoken to Mr. Finnegan's brother and sent him a written apology for the agencies' failures. I met the Crown prosecutor for London yesterday to discuss the case. The Government have made it clear that victims should be at the heart of the criminal justice system, but this case provides an example of where that has not happened. We are putting new measures in place to ensure that it does not happen again. If it would help, I would be happy to meet the Finnegan family.

Mr. David Heath (Somerton and Frome) (LD): I welcome the hon. and learned Gentleman to his new post.

Most sensible people would recognise that murder is a uniquely abhorrent crime, but they would also recognise that murder can take place in a variety of circumstances, which should be recognised by the courts. Is not the most important factor in establishing confidence in the court system, and in ensuring that victims and their families recognise its integrity, the need to have honesty in sentencing so that people clearly understand what the sentence means, how long the person will stay in prison if it is a custodial sentence and what will happen when they are released from prison short of a full life sentence?

The Solicitor-General: It is certainly important that people who are sentenced and the general public are aware of the implications of a sentence. That is why it is crucial that the judge should make clear in sentencing the reasons why a particular sentence has been passed. It is also why we have been clarifying, over recent years and particularly in the 2003 legislation, the basis on which decisions on sentencing should be made. Much of what the hon. Gentleman said is right and I agree that it is important to maintain confidence in our criminal justice system.

Extradition

19. **Mr. David Heathcoat-Amory** (Wells) (Con): If the Attorney-General will discuss with the US authorities reciprocal rights for those facing extradition. [4734]

The Solicitor-General: Yes—today, hopefully.

Mr. Heathcoat-Amory: Is it not wrong for the Government to have signed an extradition treaty with the United States that is not reciprocal? British citizens can be extradited to the US on suspicion whereas the US, quite rightly, requires a higher burden of proof for its citizens to be extradited from the US to here. When are the British Government going to stand up for the rights of British citizens rather than sign unequal treaties? Will the Solicitor-General suspend the treaty until the US Congress passes into its law a fully reciprocal agreement?

The Solicitor-General: I entirely disagree with the right hon. Gentleman's analysis. There are similar arrangements in place for extradition for 48 countries, including Australia, New Zealand, Canada, European countries and the US. Precise reciprocity in extradition arrangements is impossible because legal systems are different. Today, arrangements with the US are broadly comparable in most respects, including with respect to the standard of information needed for requests either way—from the US or here. We now require information that is similar to the US requirement of probable cause. Before 2003, we required a prima facie case, which is a higher requirement than probable cause. We are satisfied that the balance of reciprocity is comparable now. We are doing the right thing now, and we believe that making it more difficult for those accused of crime to be brought to court, as the right hon. Gentleman wants, is the wrong approach.

Business of the House

11.30 am

Chris Grayling (Epsom and Ewell) (Con): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Mr. Geoffrey Hoon): The business for next week will be as follows:

MONDAY 20 JUNE—Second Reading of the Violent Crime Reduction Bill.

TUESDAY 21 JUNE—Second Reading of the Racial and Religious Hatred Bill.

WEDNESDAY 22 JUNE—Opposition Day [2nd Allotted Day]. There will be a debate on special schools and special educational needs followed by a debate entitled "Threat to the Integrity of the Electoral System". Both arise on an Opposition motion.

THURSDAY 23 JUNE—Second Reading of the Regulation of Financial Services (Land Transactions) Bill.

FRIDAY 24 JUNE—The House will not be sitting.

The provisional business for the week after will be:

MONDAY 27 JUNE—Second Reading of the Civil Aviation Bill.

TUESDAY 28 JUNE—Second Reading of the Identity Cards Bill.

WEDNESDAY 29 JUNE—Opposition Day [3rd Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 30 JUNE—There will be a debate on Africa on a motion for the Adjournment of the House.

At 6 pm the House will be asked to approve all outstanding estimates.

FRIDAY 1 JULY—The House will not be sitting.

Chris Grayling: I am delighted to hear that we finally have a date for the Identity Cards Bill. We look forward to what will no doubt be a vigorous debate.

Will the Leader of the House give us, as a matter of urgency, an opportunity to discuss the Home Secretary's decision to ban protests from a wide area around the Palace of Westminster? The Government have already tried to introduce house arrest without trial; now they want to ban political protests around the mother of Parliaments. Does the right hon. Gentleman not accept that such actions make it more difficult for this country to stand on the moral high ground when criticising repressive regimes such as those in Burma and Zimbabwe?

Talking of Zimbabwe, last week the right hon. Gentleman brushed off my request for a statement on the situation there. He will have read in today's papers that circumstances in Zimbabwe continue to go from bad to worse. Why is it not possible for a Foreign Office Minister to come to the House and tell us what the Government are doing to help to forge an international response to the problems?

May we have an early debate on the suspension of the regulations introduced in the House two years ago to implement the food supplements directive? The right hon. Gentleman will know that the European Court of Justice has made a provisional decision that the directive cannot stand, but the regulations will still come into force on 1 August. Will the right hon. Gentleman give us an opportunity to suspend them, so that organisations no longer have to work with them although they may be set aside shortly? That would remove the black cloud that currently hangs over the industry.

Did the Leader of the House have an opportunity to drop in to the "race against time" lobby on Duchenne muscular dystrophy earlier this week? As he will know, this is a terrible disease that threatens the lives of many children in my constituency and, I suspect, in his. Will he make time for a debate so that we can discuss the research programme that is trying to sort out the problem and deliver a real solution for those children, so that we can discuss ways of helping to give them a better future?

Finally, may we have a debate on local dialects so that the House can congratulate the Leader of the House on his success in entering the dictionary of cockney rhyming slang? The website cockneyrhymingslang.co.uk gives the example:

"You're a right Geoff Hoon you are."

It appears under the eye-catching heading

"What on earth does 'Geoff Hoon' mean?"

Mr. Hoon: Over the past few weeks, I have become used to being grateful for the kind observations emanating from the Opposition Front Bench, not least in relation to identity cards. I am sure that Labour Members look forward to discovering what precisely is the Opposition's position on that important issue. When they find their identity, no doubt we shall all be reassured.

I must say the same in respect of political protests in and around the precincts of Parliament. Following a detailed debate, the Government have sought to put into legislation the recommendations of the cross-party Procedure Committee, which in the last Parliament was chaired by a Conservative Member. If the Opposition Front Bench is now disowning the results of a detailed piece of work done in the House by, among others, Conservative Members, I regard that as a matter of considerable regret.

The hon. Gentleman raised again, quite properly, the question of Zimbabwe. As I said a few minutes ago, an Opposition day is forthcoming. We have yet to hear from the Opposition what the subject of the debate will be, but it presents the hon. Gentleman with a tremendous opportunity to demonstrate just how sincere he is by ensuring that Zimbabwe is debated. I am sure that Members in all parts of the House would be delighted about that.

We shall certainly look carefully at the decision of the European Court of Justice on food supplements. My right hon. Friend the Secretary of State for Health will ensure that we observe the terms of the judgment precisely. As for the hon. Gentleman's suggestion that the regulations be suspended, I will ensure that my right hon. Friend writes to him accordingly.

The disease research programme is important, and obviously the House will have to consider it carefully in due course.

[Mr. Hoon]

I am sure that the reference in the new dictionary is meant to be entirely complimentary.

Mr. David Winnick (Walsall, North) (Lab): I am trying to be as helpful as always. Would it not be useful if, prior to the Second Reading of the Identity Cards Bill, there was a full and frank discussion in Cabinet, as there was originally, and during which some Cabinet members apparently expressed reservations? Such a full and frank discussion would give the Cabinet an opportunity to decide whether the measure should go through, bearing in mind the concerns expressed in the past 18 months to two years about the possible failure of biometrics—there seems to be not much doubt about that—and the vast expense: it is now being said that the card will cost in the region of £300 rather than the original sum. Should not all that be taken into account before 28 June?

Mr. Hoon: I assure my hon. Friend that all discussions in Cabinet are both full and frank. The Cabinet has discussed this point. We set out the position of the Labour party in our manifesto, upon which we achieved success in the general election. I know that my hon. Friend has considerable reservations about identity cards, but it is the settled opinion of the Government that the legislation should go forward, which is why we have put it into the programme.

Mr. David Heath (Somerton and Frome) (LD): I welcome the full day's debate on Africa, which I requested last week. With such prompt service, I must clearly be careful what I ask for in future.

The right hon. Gentleman will have heard his right hon. Friend the Prime Minister say, in answer to a question by my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy), that he will soon bring forward proposals for the proper scrutiny of European legislation. Given that we had yet another Adjournment debate on the European Union yesterday, which I am sure was valuable in its way but which was unfocused, is not there a clear need to have a proper process of scrutiny of what our Ministers do in the Council on behalf of this country? At the moment, we have no such scrutiny proposals.

Can the Leader of the House find time for a debate on the report issued today by the Public Accounts Committee on non-attendance at court, which has become a very significant problem? Might we also debate the comments of the chief constable of Avon and Somerset, Colin Port, who suggests that perhaps what we need is a national agency, along the lines of the US marshals, responsible for tracking down fugitives and bringing them to justice? That would certainly merit debate.

Can we have a standing slot, on a regular basis, for a debate that might be called, "New policies announced by Ministers but of which details have unaccountably never been given to the House"? There we could, for instance, consider the ambitious plans announced for first-time buyers, which we still do not know anything about, and discover when the free travel for pensioners on buses will be implemented, which is a question that is often asked. Moreover, it might decrease the number of opportunities that Ministers have for making statements outside this House instead of coming here and making a proper statement.

Lastly, could we have a debate on the serious medical condition of amnesia? It seems to me that some right hon. and hon. Members simply cannot remember the position that they took only a matter of months ago on ID cards, demonstrations in Parliament square, or the extradition treaty with the United States.

Mr. Hoon: On amnesia, I draw the hon. Gentleman's attention to the considerable work of the Modernisation Committee on European scrutiny. I have been looking carefully at those recommendations. It is a matter that we need to resolve. I agree that it is important that we should improve the quality and quantity of European scrutiny. It is clear from elections here and votes in countries such as France and Holland that the European population is anxious to see an improvement in the way in which we deal with European issues. I am sure that this House, which has always set the standard for scrutiny, will look carefully at the proposals when they are brought forward, and when I have thought about them.

As for the PAC report on non-attendance at court, we very much welcome those recommendations. A great deal of work has been done over a number of years to improve case management before the courts, and it is obviously necessary that that should continue. I welcome the hon. Gentleman's observations in that respect. It is of course the case that Ministers always report new policies to the House first, and I have continued to emphasise that to my right hon. and hon. Friends. I know that you, Mr. Speaker, are especially concerned about that, and I give you my assurance that my colleagues will observe the proper rules and practice of the House to ensure that right hon. and hon. Members are fully informed as new policies are announced.

I am grateful to the hon. Gentleman for his observations on ID cards, although I daresay that they were directed not at the Government but at other Opposition Members. The Liberal Democrats have always been consistent on the issue, but sadly they have been consistently wrong.

Lyn Brown (West Ham) (Lab): Will my right hon. Friend make time for a debate about religious and sacred desecration? I have tabled an early-day motion today that condemns such an act at a Jewish cemetery in my constituency and welcomes the solidarity of the local multifaith community, which has condemned the incident and stood alongside those who have suffered as a consequence of that barbarous action.

Mr. Hoon: My hon. Friend is absolutely right to raise that important issue. The Government deplore all anti-Semitism, especially the appalling expression of it that we saw in her constituency recently. Before the general election, I spoke at the annual fundraising meeting of the Community Security Trust, which does so much important work protecting our Jewish community. It is important that we do not allow anti-Semitism to operate in this country.

Andrew Selous (South-West Bedfordshire) (Con): Will the Leader of the House arrange for an Education

Minister to make an urgent statement to the House on adult education funding? Had he been here for Education questions earlier, he would have heard that many Labour Members are extremely concerned about that issue, as are Opposition Members. In my constituency, Dunstable college faces a £600,000 cut in adult education provision. The staff will have to decide next week which courses they will not offer, but budgets could be rearranged by taking money from the headquarters bureaucracy of the Learning and Skills Council to deal with that problem. Will the Leader of the House ensure that a Minister is available to deal with that issue next week?

Mr. Hoon: I was not present for Education questions, but I am always impressed by the number of Education Ministers we have. I am sure that the hon. Gentleman will have had the opportunity to raise his question. I draw to the attention of my right hon. and hon. Friends the points made at business questions and I will ensure that that point is drawn to their attention.

Mr. Pat McFadden (Wolverhampton, South-East) (Lab): Will my right hon. Friend consider making time for an early debate on the issue of children's homes and whether they need planning permission? That is especially important in the west midlands where a company called Green Corns has been buying private properties, and housing children in their care in them. Does my right hon. Friend agree that while those children must of course be housed somewhere, it does not foster confidence in the local community when it is done with no reference to local authorities, to social services departments or to the local communities in which the children are placed?

Mr. Hoon: My hon. Friend raises an important issue, which has coincidentally arisen in my constituency, so I am familiar with the problems that can arise. He is right to highlight the issue and it is important that the Government look carefully at the relevant planning laws to ensure that local authorities are consulted about such proposals.

Mr. Nigel Dodds (Belfast, North) (DUP): It is six weeks since the general election and five weeks since the new Parliament first met. In that time we have seen the European constitution come and go and new Ministers take up their responsibilities. We have also seen all sorts of new policy initiatives announced, but we still have had no announcement about the formation of Select Committees, which carry out the important business of scrutinising Government activity. Can the Leader of the House tell us what the problem is and when he will come forward with proposals for those important Committees?

Mr. Hoon: I appreciate the concern of the hon. Gentleman and of other right hon. and hon. Members, but I have set the position out clearly. It is a question of all of the political parties represented in the House making their nominations to the vacancies on Select Committees. That process, as I understand from my own party, is well under way and progress has been made. But the democracy of the House is dependent on the democracy of the political parties, and that process can sometimes take longer than some Members might like.

Mr. David Chaytor (Bury, North) (Lab): Last weekend, the residents of Ramsbottom, Holcombe village, Holcombe Brook and Hawkshaw, in my constituency, were surprised to wake up and discover that they had been fingered by the former Conservative Government as a potential site for dumping the nation's radioactive waste. Given that residents in many parts of the country have been made aware of the list produced by Nirex, which was finally published under freedom of information legislation—more than 10 years too late—and given that our Government have a far more open and transparent approach to the problem of radioactive nuclear waste through the work of the Committee on Radioactive Waste Management, does my right hon. Friend think it timely to have a debate on the long-term storage of nuclear waste, in order to assess the progress of the Committee charged with looking at this issue?

Mr. Hoon: That information was of course published by the Ministry of Defence, consistent with the relevant rules under freedom of information legislation. Such information is of an historical kind only and should not in any way provide guidance for any issues currently being considered. This is a good opportunity for Parliament to discuss the relevant issues, not least because of the publication of this material. But my hon. Friend is a skilled and experienced parliamentarian, and I anticipate that he will find ways to ensure that the debate takes place.

Mr. Hugo Swire (East Devon) (Con): The Leader of the House will be aware that on Tuesday we had the Second Reading of the Government's National Lottery Bill, through which they are attempting to commit one of the greatest acts of larceny in the 21st century. If he has had the chance to read the report of that debate, he will know that I pressed the Minister for more time to consider the Bill in Committee when the House returns in October. The Government are attempting to fob us off with four days, but to be fair, the Minister on that occasion did say that he and the Whips want the Bill to be properly scrutinised, which suggests that we will be granted more than four days. Can the Leader of the House use his influence through the usual channels to ensure that this incredibly important Bill—it creates the Big Lottery Fund, which is already up and running and has made allocations—gets the scrutiny that it properly deserves?

Mr. Hoon: I am slightly surprised to hear the hon. Gentleman complain about the amount of time allocated. As I recall, the Second Reading debate was scheduled to continue until 10 o'clock on Tuesday evening, but for some unaccountable reason it finished rather earlier. I can only conclude, therefore, that the overwhelming majority of Members were entirely satisfied with the Bill and felt no need to speak.

Judy Mallaber (Amber Valley) (Lab): Will my right hon. Friend find time for a debate on the location of medical assessment centres for claimants of incapacity and industrial injury benefits? We have just discovered that Atos Origin, which won the contract to run these centres, has decided without any apparent consultation to close 21 centres, including both the Derbyshire ones. It would help to have such a debate, so that we can discover whether Ministers have been able to assess how

[Judy Mallaber]

severely disabled and ill people will manage to travel very long distances, potentially involving several bus or train journeys, in order to claim the benefits that they desperately need.

Mr. Hoon: My hon. Friend raises an important issue that is, I am sure, of concern to many right hon. and hon. Members representing constituencies across the country. I will ensure that my right hon. Friend the Secretary of State for Work and Pensions replies to her.

Mr. Charles Walker (Broxbourne) (Con): Will the Leader of the House find time for an urgent debate on the case of Mr. Ian Norris, a constituent of mine who faces deportation to the USA on alleged price-fixing offences? The last of those alleged offences took place before 2003, when price fixing became a criminal offence in England, so it is doubtful whether grounds for extradition exist. Mr. Norris is 62 and in ill health, and needs the protection of his sovereign Government. I urge the right hon. Gentleman, in his capacity not only as Leader of the House but as a lawyer, to find time to bring this issue before the House or before his colleagues at the Solicitor-General's office.

Mr. Hoon: The hon. Gentleman has made his point very effectively, and I am sure that those responsible for these matters will have heard him. He knows full well that it is not appropriate for Ministers to comment on, or to intervene in, current legal cases.

Helen Jones (Warrington, North) (Lab): Will my right hon. Friend find time for a debate on how new wheel-clamping regulations and the licensing system are working? I would particularly like to know how they are working in villages such as mine, where a wheel-clamping firm investigates complaints, so it says, without talking to the complainants. It clamps people if they visit a particular group of shops in the village, and then moves to another group across the road, thus increasing traffic and congestion and partly destroying village life, which has always worked on the principle of give and take. Can we debate how the regulations are working in practice, and what can further be done to regulate such firms?

Mr. Hoon: This is what is described in my office as one of those hardy perennials. I recognise the concern that wheel clamping causes and the strong feelings that it arouses in constituents throughout the country. My hon. Friend will doubtless find an opportunity to secure an Adjournment debate, which is the appropriate vehicle for discussing this issue.

Mr. Peter Robinson (Belfast, East) (DUP): Was the business of the House so tight today that the Secretary of State for Northern Ireland was unable to come to the Dispatch Box to make an announcement on the appointment of the Northern Ireland Human Rights Commission, which is done by other means? The Secretary of State has appointed as chairperson a bigoted, anti-Unionist political reject, who will be incapable of getting the support and confidence of the Unionist community.

Mr. Hoon: If the hon. Gentleman will forgive me, I will not discuss this subject in detail, but I know that my right hon. Friend the Secretary of State for Northern Ireland has set out in a written ministerial statement the points about which the hon. Gentleman is concerned. That would seem an appropriate way of informing the House.

Ms Sally Keeble (Northampton, North) (Lab): Is my right hon. Friend aware that just before the election, the Procedure Committee produced a report on the sub judice rule and its application in this House in respect of matters before coroners' courts. Will he look at that report and find a way to introduce its recommendations, and does he agree that this is an important issue? For the past year, it has been impossible to ask questions about the death in custody of a Northamptonshire teenager. The coroner's court opened a hearing more than a year ago and adjourned it, but it has been unable to resume proceedings because the Crown Prosecution Service still has not reached a decision on charges. This is an important matter, on which it ought to be possible to ask questions and gain information.

Mr. Hoon: This is an important issue but my hon. Friend will forgive me for saying that, given the number of such cases raised with me, I incline to a rather stricter view of the rules than she perhaps does. That is an entirely personal observation. It is important that we strike a balance between Members of Parliament—and, indeed, members of the Government—not intervening in cases before the courts while at the same time allowing Members to comment on matters of concern, particularly those of concern to their constituents.

Dr. Julian Lewis (New Forest, East) (Con): Does the Leader of the House recall that the Government's 1998 strategic defence review recommended small cuts in the number of frigates and destroyers and the construction of two large aircraft carriers? Given that seven years have since gone by and large cuts have been made in the number of frigates and destroyers, but there is no sign yet of the order even being placed for the first of those aircraft carriers, may we have an urgent statement from a defence Minister on when that order will be placed, given that it is only another seven years before the first of those carriers is due to enter service?

Mr. Hoon: I had fondly imagined that my change of position after the general election would relieve me of the pleasurable responsibility of responding to the hon. Gentleman on defence matters. I am delighted that he has continued to haunt me with these issues, and I assure him that there has been no change in the Government's position in respect of the commitment made in the 1998 strategic defence review to acquire two large aircraft carriers. He will understand that it takes a little longer to build those carriers in reality than may have been the case when he used to build their Airfix equivalents.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Has my right hon. Friend had a chance to look at early-day motion 234, in my name? It states:

> That this House welcomes the announcement in the Queen's Speech of proposed measures to tackle offences involving knives and guns; and urges the Government to ensure such measures include a ban on replica guns and a ban on the sale and possession of air weapons, except under licence for genuine sporting and other necessary uses such as pest control.

The EDM deals with controls on replica weapons and airguns, and is supported by 63 hon. Members. A similar EDM has gained the support of 53 hon. Members. Will my right hon. Friend point out that level of support to my right hon. Friend the Home Secretary, and suggest that the already good proposals in respect of airguns in the Violent Crime Reduction Bill, which we will discuss on Monday, should be strengthened by means of amendments proposing the even tougher clampdowns suggested in the two EDMs?

Mr. Hoon: My hon. Friend raises an important point. The Government recognise that this is a vital issue, as the proposals in the Violent Crime Reduction Bill to which he referred demonstrate. I am sure that he and other hon. Members will be able to table amendments in due course if they judge that the Government are not taking sufficient powers. I assure him that my right hon. Friend the Home Secretary takes this matter very seriously indeed, which is why it has been included in that Bill.

Mr. Michael Fallon (Sevenoaks) (Con): Is the Leader of the House aware of the growing resentment among my constituents in Crockenhill and Swanley at illegal Traveller sites, and at repeated applications for other illegal Traveller sites in the green belt? Can he give the House an indication of when the Government's review of Travellers and planning legislation is likely to be published, so that we can see whether they are getting a grip on what is becoming a very serious problem?

Mr. Hoon: The hon. Gentleman will know that the Government have passed legislation to improve the position of local authorities when it comes to dealing with illegal sites. I regret that the ingenuity of Travellers in challenging the existing legal position has meant that we must continue to keep under review the way in which further legislation could have appropriate effect. I share his concern: all hon. Members come across this problem from time to time when their constituents have to deal with the appalling consequences of that sort of illegal behaviour. It is important that local authorities and others have appropriate powers to deal with it.

Mark Tami (Alyn and Deeside) (Lab): Can we have an early debate on ways in which we can encourage younger people and schools to visit the House? I do what I can to encourage schools from my area to come down to see Parliament. Is my right hon. Friend aware that the Welsh Assembly pays the travel costs of schools that visit it? Could a similar proposal be considered for this place?

Mr. Hoon: My hon. Friend will know that the House authorities are looking carefully at ways to improve visitor access to Parliament. It is important that we encourage younger people, in particular, to understand the processes by which legislation is passed and Ministers held accountable. That work is in hand, and I am confident that we will be able to improve the arrangements.

Pete Wishart (Perth and North Perthshire) (SNP): Last week, the Leader of the House promised a full debate on all the issues surrounding the G8 visit to Perthshire. Apart from a welcome debate on Africa, there seems to be no announcement of any such debate in future business. The G8 visit to Scotland begins on 4 July, so when will the debate take place?

Mr. Hoon: I announced that debate at business questions last week. I recall saying that I recognised that hon. Members would be able to raise any issue relevant to the summit in the course of that debate. I am sorry that, having agreed to hold a debate, I cannot satisfy everyone and that the hon. Gentleman wants further opportunities.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend will know that we are waiting for the Volcker commission's final report on the oil-for-food scandal, which seems to get ever deeper and murkier. Does he agree that the House should have every opportunity to look at that report to determine the implications for the UK, and in particular its relations with other countries and the UN? The US is carrying out its own investigation, and that process should be replicated here.

Mr. Hoon: This is an important issue and I am sure that my hon. Friend's observations about the oil-for-food programme and its operation will have been noted by my right hon. Friend the Foreign Secretary, who will respond accordingly.

Mr. John Hayes (South Holland and The Deepings) (Con): The House expects a high degree of assiduity from the Leader of the House, but he has been dragging his feet. I have raised the crisis in NHS dentistry before at business questions, and drawn attention to the fact that 1,600 people in Spalding in my constituency had to queue for eight hours to register with an NHS dentist. The matter was raised again at Tuesday's Health questions, in respect of a different part of the country, Devon. When will we have a debate or statement on the extent of the crisis in NHS dentistry? The crisis is profound, and the Government must give a clear indication of what they intend to do about it so that they can fulfil the pledge made by the Prime Minister after the 1997 election that everyone would have access to an NHS dentist.

Mr. Hoon: As I understand it, the issue was raised in Health questions, when a significant exchange took place between hon. Members and the relevant Ministers. I do not doubt the importance of NHS dentistry. The Government have put a great deal of extra money into the health service to ensure that treatments, including dentistry, are available to everyone. If only the previous Conservative Government had matched that.

David Taylor (North-West Leicestershire) (Lab/Co-op): In August 2002, an incident took place on the A42 near Worthington in my constituency. A Birmingham man with twice the permitted level of alcohol in his blood drove deliberately at a police car, killing PCs Andrew Munn and Bryan Moore, widowing Allison Munn and Sarah Moore, and leaving two children and three children, respectively, without fathers. At an earlier hearing, the man was found guilty of the murder of one of those police officers, but that verdict was overturned. He went to Stafford Crown court this week and pleaded guilty, but a legal technicality meant that he pleaded guilty only to the offence of manslaughter. Does the Leader of the House agree—

Mr. Speaker: Order. I have been advised that this case is before the court and that we should proceed no further with it.

Mr. Andrew Mackay (Bracknell) (Con): I thank the Leader of the House for complying with our request for a debate on Africa, but does he agree that the very serious situation in Zimbabwe will not be covered adequately in that debate? A Minister must come to the Dispatch Box and make a statement. Does he accept that the Government and the country should take a lead in mobilising international action against the disgraceful Mugabe regime in Harare?

Mr. Hoon: On a previous occasion, I set out to the House the steps that the Government have taken, both in our own right and through the European Union. On Tuesday my right hon. Friend the Foreign Secretary issued a written ministerial statement on Zimbabwe. That shows that the Foreign Office is seized of the importance of the issue, and that it is determined to take the matter forward.

Mr. Alan Williams (Swansea, West) (Lab): The Leader of the House will be aware that the inevitably lengthy process of appointing Select Committees has meant that the Liaison Committee has missed its normal July sitting, at which questions would have been put to the Prime Minister. Will my right hon. Friend try to ensure that that sitting will be held as soon as possible after the summer recess, and that we will return to our normal cycle in the new year of question sessions with the Prime Minister in January and February, and in June and July?

Mr. Hoon: I am grateful to my right hon. Friend and I know that my right hon. Friend the Prime Minister very much values and appreciates the opportunity to meet the Liaison Committee. I know that he will be disappointed if it is not possible to hold a sitting in July, and that he will look for ways to ensure that he meets the Liaison Committee as and when it is appointed.

Mr. Edward Garnier (Harborough) (Con): The hon. Member for North-West Leicestershire (David Taylor) was unable to complete his question, but I am sure that the whole House would wish to express its sympathy for the bereaved families of the police officers to whom he referred.

My question refers to the same part of Leicestershire, as it has to do with Nottingham East Midlands airport. The Leader of the House will know that the Civil Aviation Bill will receive its Second Reading on Monday week, but my reading of the long title leads me to believe that it will not be possible to debate the police costs incurred at Nottingham East Midlands airport. The Leader of the House is a Nottinghamshire MP, and he will know that that airport lies wholly within the county of Leicestershire. It therefore follows that it is the citizens of Leicestershire who pay those police costs, even though Nottinghamshire is very pleased to have its name in the airport's title. May we have an urgent debate in Government time on the fair allocation of police costs of regional and national airports, so that my constituents, who live between 30 and 50 miles away from Nottingham East Midlands airport, are not obliged solely to pay for a commercial enterprise that is enjoyed by the right hon. Gentleman's constituents?

Mr. Hoon: I join the hon. and learned Gentleman in expressing the Government's sympathy for the families of those two police officers. I assure him that the costs faced by police authorities in terms of the type of policing conducted in those police authority areas is taken into account in the determination of the appropriate grant, so notwithstanding the new title of Nottingham East Midlands airport, the costs of its policing are considered in the process of calculating the Leicestershire police authority grant. Nevertheless, I am sure that he will find other, still more ingenious, ways of raising these questions.

Mr. Speaker: I now understand that the information I received was inaccurate. The hon. Member for North-West Leicestershire (David Taylor) has pointed out that the case he referred to is over—it is not before the courts—and I will allow him to complete his question.

David Taylor: Thank you, Mr. Speaker. As the hon. Member for Somerton and Frome (Mr. Heath) said—in a debate that was triggered at Solicitor-General's questions by my hon. Friend the Member for Wrexham (Ian Lucas), who asked for a debate about murder, the legal framework and the penalties that are available—the crime of murder is "uniquely abhorrent". The only charge that could be laid against the man that I mentioned at Stafford Crown court earlier this week was manslaughter. He pleaded guilty to that and was given a sentence of 14 years. He had been in custody for three years; he may be released in four further years. This is no form of justice for the families that had their lives destroyed three years ago by the events that I described. Is it not about time that we looked at the law surrounding murder and the penalties that are available, so that no legal technicalities can stand in the way of justice in the way that the Munn and Moore families endured at Stafford Crown court earlier this week?

Mr. Hoon: I am grateful to my hon. Friend for raising this issue. I am sure that it is kept under constant review in the Home Office. Legal definitions of murder, manslaughter and so on have been the subject of various reviews in the past. It is something that the Government keep under constant notice.

Mr. Colin Breed (South-East Cornwall) (LD): In the light of the National Audit Office report published earlier this week on the state of readiness of our armed forces, will the Leader of the House arrange for the Secretary of State for Defence to come to the House and make a statement, which would also provide an opportunity to raise Devonport and its future role as a dockyard and a naval base?

Mr. Hoon: The contents of the report were not unfamiliar to me and I have been slightly surprised by the way in which this matter has been represented, because the report contains a very useful analysis of the way in which the Ministry of Defence and our armed forces prepare in the event of contingencies. I hope that

the hon. Gentleman accepts that it simply would not make sense to keep all of our armed forces at the highest states of readiness all of the time. That would be absurd, in terms of their equipment and the impact on individuals. It is necessarily the case that armed forces are kept at different levels of readiness, according to the circumstances that they face. What the National Audit Office report concludes, in a complimentary way, about the Ministry of Defence is that for the very first time we have a technique available for identifying that level of readiness in order that we can then go on to improve it. That is a matter for congratulation, not criticism.

Kelvin Hopkins (Luton, North) (Lab): This country continues to suffer from a serious and growing problem of alcohol abuse; we have just heard from my hon. Friend the Member for North-West Leicestershire (David Taylor) an example of the things that happen. But setting aside the problem of crime and disorder arising from alcohol abuse, there are also health questions, and I refer particularly to the problem of foetal alcohol syndrome. Estimates suggest that up to 1 per cent. of babies born are damaged by alcohol consumed by mothers during pregnancy. This is a very serious issue; the number of birth defects is far bigger than that arising from other causes. The Government's strategy on alcohol was published in the previous Parliament, but we have not yet had a full debate on all aspects of the country's alcohol problems, particularly the health problems. I ask my right hon. Friend to make time for a full debate on our alcohol problems.

Mr. Hoon: My hon. Friend raises a vital issue and, given the importance that the Government attach to dealing with the consequences of alcohol abuse, he is absolutely right to raise the question of prevention, which is at the heart of the Government's health policy across the board.

John Bercow (Buckingham) (Con): Notwithstanding the welcome announcement of a full day's debate on Africa in two weeks' time, may I appeal to the Leader of the House to find time for an urgent statement or debate on the crisis in Darfur? Given the massive ethnic cleansing that continues to take place in that region, does he accept that the opportunity not for an Adjournment debate, however welcome, but for a full debate on the Floor of this House would be eagerly seized, especially by those colleagues who believe that the Government ought to grasp the nettle and argue the case for a peace enforcement mandate, which with the support of the international community and the backing of the United Nations would allow us to disarm the Janjaweed, to erect the no-fly zone and to offer some hope to the people of Darfur? Thus far, the black African population of Darfur have suffered too much, for too long, with too little done about it.

Mr. Hoon: Once again, the hon. Gentleman is right to raise this important issue. He has done so consistently and I hope he accepts that the Government have responded to him by allocating—to quote his words—"a full debate on the Floor of this House" on the question of Africa. He will be able to raise those issues on 30 June, as he requested at the last business questions.

Mr. Tobias Ellwood (Bournemouth, East) (Con): May I ask for an urgent debate on the responsibility and accountability of regional assemblies? Many people in England are unaware of how powerful these bodies have become. For example, there are plans by the South West regional assembly to build 21,000 more homes on Bournemouth's green belt, yet Bournemouth council is now powerless to stop this and no longer allowed to make its own judgment as to the planning requirements needed for its area.

Mr. Hoon: Those are important issues. It is obviously necessary to balance the overriding requirement for decent, affordable housing for people with the consequences for local communities. Whenever those issues have come before local planning authorities, the Government have sought to ensure that before approval is given, the necessary infrastructure is available and in place to support the demand for extra accommodation. I assure the hon. Gentleman that that will continue to be the Government's policy.

Mike Penning (Hemel Hempstead) (Con): Earlier today, the excellent House of Commons Library confirmed to me that the budget for the NHS for next year would be about £74.4 billion—something that I think hon. Members on both sides of the House would welcome. However, may we have an urgent debate as to why that money and those facilities are not getting into the front line of the NHS? I am sure that other trusts around the country are similarly affected, but when I met representatives of my local hospital trust last week with my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke), they told me that they were £30 million in debt and that if they did not cut back their debt this year they would not have the money to pay doctors' and nurses' wages. So massive cuts are being instigated across the board in our hospital health trust, and in April 2006 the blue-light facilities will be switched off at Hemel Hempstead hospital. That means that our cardiac unit, our stroke unit, our intensive care unit and our accident and emergency unit will close. Where is taxpayers' money going?

Mr. Hoon: It is going on 79,000 new nurses, 27,000 new doctors, 83 major new hospital building programmes and a range of extra facilities. By financial year 2007–08, the budget for the national health service, compared with what we inherited from the Conservative Government whom we replaced in financial year 1996–97, will have increased by three times—a three-times increase in spending.

Alongside that increase, to deal with the hon. Gentleman's specific point, it is obviously important—I believe that this was one of the valuable changes actually made by the previous Conservative Government—that local authorities manage their own money, and it is important that the trusts can manage those extra resources effectively. Local control of those budgets has made a significant difference to the consequences in the local community of having effective health care, and it must continue. But I will take no criticisms whatever from the hon. Gentleman in relation to the size of the national health service budget.

Orders of the Day

Transport (Wales) Bill

Order for Second Reading read.

12.20 pm

The Secretary of State for Wales (Mr. Peter Hain): I beg to move, That the Bill be now read a Second time.

The purpose of the Bill is to provide powers to enable the National Assembly for Wales to deliver a world-class integrated transport system for Wales. Along with existing powers and those that the Assembly is acquiring under the Railways Act 2005, the Bill will provide the Assembly with a comprehensive and coherent set of transport powers for the first time. That fulfils our Labour party manifesto commitment to deliver a further devolution of powers over transport to Wales, and will ensure that the Assembly has the powers it needs to deliver a properly integrated transport system.

A well-functioning transport network is essential for maintaining the unprecedented period of economic stability that the Government have delivered, and is critical to the future development of Wales. It plays a crucial role in the development of a diverse, competitive, high-value-added economy and is the backbone of economic growth. Set against that is the risk to business investment and performance posed by increased congestion on our roads and inadequate public transport provision.

Transport is also key to our social agenda; for example, in regenerating communities and tackling rural isolation. The most deprived areas in Wales have low levels of car ownership, and inadequate public transport is too often a barrier to finding a job. It also inhibits access to key services, GPs and hospitals, and can have a severe impact on people's quality of life by limiting access to leisure activities.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The thrust of the Bill is welcome, but on the subject of an integrated transport policy, may I draw the Secretary of State's attention to the decision, last week, of Virgin Trains to cut two Saturday services from north Wales to London during the summer, thereby undermining the tourism economy of north Wales? I spoke to Ministers about that on Monday, because I am extremely concerned. Virgin spoke to various local authorities in north Wales about the Monday-to-Friday timetable, but did not mention Saturday. The company then cut two of the five Saturday services for the whole summer period, which will damage the Welsh economy. Will the Secretary of State investigate the matter urgently?

Mr. Hain: I am happy to do that. I understand the hon. Gentleman's concern and that of other north Wales MPs, such as my hon. Friend the Member for Alyn and Deeside (Mark Tami), who has just been muttering in my ear about the matter. I am advised that the reduction in service will be temporary, to allow the upgrading of the west coast main line, and it is expected that the services will be reinstated. I hope that that advice is correct, but if it is not, I shall inform the hon. Gentleman.

The Bevan Foundation has identified communications as a major issue that needs to be tackled to develop the south Wales valleys. Too many places are isolated by poor communications, even though some are relatively close to the main centres of population.

As well as advancing our economic and social objectives, a properly integrated transport system is crucial for fulfilling our green agenda. Road transport accounts for more than 20 per cent. of all UK carbon emissions, and by reducing the need for people to travel by car, we can help to reduce the overall impact of personal transport on global warming. As a Government, we are determined to think long term about how to ensure that our transport system best serves the people of Wales and those economic, social and environmental objectives.

Chris Bryant (Rhondda) (Lab): The Secretary of State will know that one of the problems in the south Wales valleys, where many people's journeys to work are complicated, is that much of the public transport simply goes down the valley to Cardiff. The integration of public transport systems is vital if we are to reduce economic inactivity in the south Wales valleys. One difficulty is that some public transport services continue to use old rolling stock. Does my right hon. Friend anticipate a significant improvement in the rolling stock on the valley lines?

Mr. Hain: As my hon. Friend knows, rolling stock is constantly being upgraded under our Government, with record investment in railways and more rail travellers than at any time in the past 40 or 50 years. Nevertheless, he makes a valid point and, as a valleys MP, I can confirm that it is crucial to get things right. People, especially the elderly, in many pit villages in my constituency and, I am sure, in the Rhondda, do not own a car, and buses—sometimes railways if they are lucky, but often it is buses alone—are a lifeline in every respect. I am not satisfied that bus services in my constituency are good enough—for example, in the Swansea valley and the lower Amman valley—and that is probably true throughout the valleys. I know that the Assembly is seized of the need to address that problem with the bus and railway companies.

My right hon. Friend the Secretary of State for Transport recently spoke about the need to have a national debate about the future role of road pricing. I am sure that he was right to do so. As Secretary of State for Wales, I, too, am determined to think long term about our future transport needs. I believe that the Bill will enhance the Assembly's ability to serve those needs effectively. Overall, the Assembly has made impressive progress on delivering improved transport in a relatively short time, despite the limited powers currently at its disposal.

Ian Lucas (Wrexham) (Lab): I am listening with interest to my right hon. Friend's observations on road pricing. At this early stage, has he held any discussions with National Assembly Ministers about whose responsibility it would be to set such charges in Wales should the scheme ever arise?

Mr. Hain: That is an important debate. We are talking about a programme that cannot come in for another 10 or 15 years. All those matters, including how

Wales would fit into the scheme, will be debated and resolved, and my hon. Friend is welcome to contribute to that process. We should not fear the principle, however, and I am glad that it has been widely welcomed throughout the political spectrum and across public opinion. We must reduce congestion on our roads or they will jam up. A 4 per cent. reduction in traffic, especially at peak times, could reduce congestion by up to 40 per cent. If we can manage the situation better through road pricing, we may escape the gridlock that awaits us. The Bill will make that much easier to manage in Wales—if not to solve—by allowing much more integrated forms of public transport.

I rather doubt that Wales would have flexibility to set prices. Even on the basis of the White Paper, whereby primary powers on transport and other matters would be devolved, I doubt that what is in essence a fiscal issue could be a Wales-only matter. However, that is for debate.

Hywel Williams (Caernarfon) (PC): Does the Secretary of State agree that particular care must be taken in rural Wales, and indeed in rural parts of the United Kingdom in general, where there are no alternative public transport facilities? It would not be possible to limit people's car use.

Mr. Hain: I fully agree. The hon. Gentleman makes a valid point as the representative of a largely rural area. There is little congestion on rural roads, which is why in any road-pricing regime the charge per mile would be very low indeed—perhaps only a penny or two, as one model suggested. The reduction in other charges for car use would put rural drivers in a much better position.

These are early days, however. My right hon. Friend the Secretary of State for Transport has launched a national debate. It is a serious debate; we are not trying to ram a policy down anybody's throat and we shall welcome contributions from all parties, including from the hon. Gentleman and other Welsh MPs. We have to get things right for Wales, not least in rural areas.

We have to do something. For example, the congestion going into Cardiff, and even into Swansea, during the rush hour is terrible. The M4 across the bridge and on the way to south-west Wales is getting more congested all the time. Something has to happen.

Bill Wiggin (Leominster) (Con): The Secretary of State seemed to suggest that the charging regime would be based on the principle of reducing congestion. However, his following comments were far from clear on whether the empowerment that he sought in the White Paper would be passed to the Assembly and allow it to have a say over the fiscal element. Has he talked to the Chancellor of the Exchequer about what now appears to be a fund-raising, rather than a congesting-beating, exercise?

Mr. Hain: I realise that the hon. Gentleman has a job to do as Opposition spokesman.

Mark Tami (Alyn and Deeside) (Lab): And is doing it badly.

Mr. Hain: No, I would not be so uncharitable as to suggest that. These are early days, and the issues all have to be discussed. Although we will discuss this, I was making the point that I rather doubt that we could have a different road-pricing regime for Wales from that in the rest of the United Kingdom.

Albert Owen (Ynys Môn) (Lab): My right hon. Friend mentioned congestion on bridges, and there is absolute chaos, particularly at bank holidays, on the Menai and Britannia bridges that connect Anglesey to the mainland. Will he meet me and a delegation to discuss the problem and raise it in bilateral meetings with the Assembly Government?

Mr. Hain: I will be very happy to receive a delegation from my hon. Friend. Having visited his constituency before and during the general election on a number of occasions—

Mark Tami: Very successfully.

Mr. Hain: Very successfully to help my hon. Friend the Member for Ynys Môn (Albert Owen) achieve his magnificent victory. Having visited the constituency, I know full well that the problem on the Menai bridge is becoming more acute. One of my earliest decisions as a Wales Office Minister was to deal with the road across Anglesey—that is important and prosperity is developing in Holyhead and across the island—but this additional issue needs confronting.

To give a few examples of what the Assembly has done in a relatively few years, I refer to the fact that the Wales and Borders rail franchise has been awarded, meaning that, for the first time since the rail network was broken up by the Conservative party, all local and regional train services in Wales are provided by a single operator. The franchise is now in operation and will deliver a phased programme of service improvements over a 15-year period.

Mrs. Betty Williams (Conwy) (Lab): Does my right hon. Friend foresee more joined-up thinking between train operating companies within Wales? The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) has already made a point about Virgin Trains services, but, with the newly published summer timetable, we have the ridiculous situation in which a train from Blaenau Ffestiniog arrives at Llandudno junction at 10.03 and the Virgin Trains service leaves at 10.03. People cannot make that connection. We need more joined-up thinking by the train operating companies if we are to succeed.

Mr. Hain: I was not aware of that problem, but it is ridiculous. I hope that Virgin Trains can sort it out and bring about an improvement. As I have experienced, if connections are not made, it can cost hours of time. I will certainly make sure that my hon. Friend's representations on the matter reach Virgin Trains. However, the powers provided under the Bill will give the Assembly Transport Minister a much greater ability to crack down on such absurd anomalies.

Lembit Öpik (Montgomeryshire) (LD): The Secretary of State is in the happy position of being able to survey at close hand an example of successful integrated transport links in Northern Ireland, where the buses and

[Lembit Öpik]

trains are integrated to a laudable degree. May I suggest therefore that it would be instructive and helpful to use the Northern Ireland success story as a model for what might be achieved in Wales along the lines that the hon. Member for Conwy (Mrs. Williams) suggested?

Mr. Hain: I am grateful for the hon. Gentleman's constructive advice. I shall certainly look at that model, but I am probably not yet as up to speed on the integrated transport system in Northern Ireland as he is.

There has been major investment in the valley lines, leading to the restoration of rail services in some areas for the first time since the Beeching cuts of 40 years ago. For example, the Vale of Glamorgan line has been reopened to passenger services and work is in hand to commence passenger services on the Ebbw Vale line in 2006–07.

David T.C. Davies (Monmouth) (Con): Does the Secretary of State regret the Beeching cuts, which took place under the 1964 Wilson Government?

Mr. Hain: That was a much better question than the hon. Gentleman asked me yesterday, so he is obviously on a steep learning curve. The truth is that the railways were allowed to run down under the dreadful Conservative Government of the 1950s and leading up to 1964. The whole programme was in train, if I can put it that way. The historical failure of all Governments—Labour and Conservative—right the way through the 1960s, 1970s, 1980s, and 1990s was not to invest sufficiently in transport. If the hon. Gentleman concedes that point—and the Conservatives were in power for the vast majority of that time; more than double the time Labour was in power if I remember correctly—I will concede his point.

David T.C. Davies: It strikes me that there is a paradox. While the Labour party takes full credit for the national health service, which was dreamed up in about 1942 by a civil servant called Beveridge, it wants to escape any responsibility for the cuts in the railways, which were again dreamed up by a civil servant prior to a Labour Government taking office in 1964. The reality is that the Beeching cuts were implemented from 1964 onwards and, if the Labour party had not wanted them to happen, it would have had the power to stop them.

Mr. Hain: I do not think that the hon. Gentleman was born then. His reading of political history is as dodgy as the rest of his politics. The serious point is that we had serious under-investment—especially in the 1980s and 1990s by the Conservative Government—and everybody recognises that. We have tried to put that right, and one of the ways that we are putting it right is by reopening a whole series of services that were cut in the past. The Welsh Assembly Labour Government and the Labour Government in Westminster deserve credit for that. I would have thought that even he in his most uncharitable mood would be prepared to give us that credit.

The introduction of free bus travel for the over-60s is another fantastic achievement by the Welsh Assembly Labour Government. Free bus travel is now available for pensioners and disabled people, and it has been fantastically successful both in terms of the take-up—more than 530,000 bus passes have been issued—and the effect on overall bus usage. It has been so successful, in fact, that it inspired my colleagues to imitate it with a similar policy in England. It is a good example of Welsh Labour policies being exported across the border to England, as we have seen in other cases as well.

Ian Lucas: My right hon. Friend is right about the introduction of free bus passes for the disabled, but does he agree that one of the big challenges ahead is ensuring that the disabled people who currently cannot get access to buses have some form of support to enable them to access transport and benefit from this excellent scheme?

Mr. Hain: I understand my hon. Friend's point. It is recognised—certainly by the Welsh Assembly Government and, indeed, by the bus companies—that low steps on buses are extremely desirable for people with disabilities.

In addition, the Assembly is delivering a five-year programme of support for local authority transport schemes worth £300 million. Following a major review of the Assembly's transport programmes, Andrew Davies, the Assembly's Minister for Economic Development and Transport, announced plans to invest £8 billion over 15 years as part of the all-Wales integrated transport strategy, money that would be put at risk if the Conservatives ever got back to power.

There will be a range of measures designed to reduce congestion, increase consumer choice and improve transport links throughout Wales. These include increased investment in the gateways of Wales, including proposals for a new section of the M4 around Newport, continued investment to improve the road and rail networks, a new internal air service linking north-west Wales with south Wales, and improved integration of our transport network.

In order to build on the impressive progress made by the Assembly, it is essential that it has the powers that it needs to tackle the challenges facing our transport system, such as the inexorable increase in the demand for travel and the threat of gridlock on our roads.

Mrs. Betty Williams: Does my right hon. Friend agree that there is a need to strengthen the provisions on the Assembly's duty to promote sustainable development, with reference to section 121 of the Government of Wales Act 1998?

Mr. Hain: I think that that is being addressed, but the commitment to sustainable development, and the fact that the Assembly has that as an objective, was one of the pioneering aspects of the Government of Wales Act 1998. My hon. Friend the Under-Secretary points out to me that the duty is in clause 1(1)(a) of the Bill, so my hon. Friend the Member for Conwy (Mrs. Williams) can determine whether the provision meets her objectives.

Traffic growth in Wales has outstripped that in the rest of the UK in recent years and, with a booming Welsh economy, that trend is likely to continue. Wales also has higher than average rates of dependency on private cars for travel to work, despite the fact that we have some of the shortest commuter journeys in Britain.

On public transport, our major cities are lagging behind others in the UK where incremental improvements have been made over several years. However, the Assembly's limited and fragmentary transport powers have restricted its ability to deal effectively with the challenges that we face and deliver a first-class integrated transport system.

The lack of transport powers has long been recognised. As far back as 1997, the Welsh transport advisory group, which I chaired as a Welsh Office Minister, started examining the transport legacy that the Assembly would inherit. Subsequently, both the Assembly's cross-party Environment, Planning and Transport Committee and the House's Welsh Affairs Committee have concluded that the Assembly requires additional powers. There was thus broad agreement on the legislative changes needed to take Wales into a new transport age, which was why we brought forward the draft Transport (Wales) Bill in May last year. Following pre-legislative scrutiny as well as an extensive public consultation, the draft Bill has been refined into the Bill that is now before us.

There will be a new statutory duty on the Assembly to develop and implement policies for the promotion of safe, integrated, sustainable, efficient and economic transport facilities and services. The Assembly will also be required to prepare and publish a Wales transport strategy to set out those policies and how they will be implemented. The Assembly intends to consult widely with all stakeholders when drawing up the strategy.

Where local authorities are already required to prepare local transport plans, the Bill will now provide a formal mechanism to ensure that those plans are consistent with the Assembly's overall vision for transport in Wales. To ensure that local transport plans are consistent with the Wales transport strategy, they will need to be submitted to the Assembly for approval. Refusing approval will be possible only with the approval of the Assembly in plenary session. I anticipate that such cases will be wholly exceptional and that the Bill will thus not mean that local transport planning will be taken out of the hands of local authorities.

Another important element of the Bill is the provision to facilitate greater joint working by local authorities to produce transport plans, which is essential to make real improvements in key transport corridors. The particular geography of Wales—a fact to which my hon. Friend the Member for Rhondda (Chris Bryant) referred—means that transport issues often cross local authority boundaries and thus need to be tackled regionally. The best example of that is of course south-east Wales, which covers 10 local authority areas and contains about half the population of Wales. Here there is a pattern of travel-to-work movements from the valleys into Cardiff and Newport that is superimposed on more strategic east-west movement along the M4 corridor and, to a lesser extent, the A465 heads of the valleys road.

A regional approach would address both public transport and road traffic management and deal effectively with the interface with the strategic trunk road network, which is why the Assembly has identified south-east Wales as an area that might benefit from one of the other key powers in the Bill: the power to establish joint transport authorities. Powers granted to a joint transport authority might, for example, include the co-ordination of bus timetables, a standardised approach towards bus lanes and bus stops and improved services across local authority boundaries.

The next main provision of the Bill will enable the Assembly to provide funding for transport services directly to transport operators to ensure that unmet transport needs in Wales are met. Currently the Assembly has to rely on a patchwork of different Acts, some of which date back to 1919. For example, the new power might be used to support services that cross several local authority boundaries to implement the Assembly's long-distance bus and coach strategy. The Bill will also give the Assembly the power to provide revenue payments to airline operators or capital funding for new airport facilities, subject of course to the constraints of European Commission competition law. That will allow the Assembly to implement its policies on intra-Wales scheduled air services, for example.

Albert Owen: The Secretary of State will be aware that public service obligations are working well in places such as Scotland, where the mainland is linked with some of the islands and people can sometimes go on to other destinations. Will the funding under the Bill allow the establishment of not only intra-Wales services, but links to other capital cities, the Republic of Ireland and, indeed, London?

Mr. Hain: I am not quite sure about that. It probably would be allowed, but it would have to be clear that the service was beneficial to Wales and not just a transit arrangement. If the service were funded from within Wales, it would have to be beneficial to Wales itself.

Lembit Öpik: Is the Secretary of State still of the view, as I am, that Wales really needs an integrated intra-Wales network? Connecting Wales quickly with major capitals such as London and Manchester would be an important opportunity, so it might be easy to argue that a multi-stop flight starting from Ynys Môn, perhaps, and finishing in London would be consistent with the requirements of European competition regulations.

Mr. Hain: The problem would be whether an intra-Wales service was being proposed. I do not think that it would be possible for the Assembly's funds to be used to subsidise something that was effectively a UK service, desirable though that might be in principle. The hon. Gentleman has long been a champion of this argument and I have joined his cause politically and, indeed, literally, by flying up and down to Welshpool airport with him, along with the hon. Member for Cardiff, Central (Jenny Willott), who was then working for him—she was working her passage, as it were. I am an enthusiast for air services in Wales, which is why I am delighted about the new air service from Valley in Anglesey for which my hon. Friend the Member for Ynys Môn has fought long and hard. There is scope for more such services.

Hywel Williams: The hon. Member for Ynys Môn (Albert Owen) talked about the transfer of funds. Will

[Hywel Williams]

the Secretary of State confirm my understanding of the Government's response to the Welsh Affairs Committee report, which says:

"There will not be a transfer of funding to the Assembly; any support which the Assembly wishes to give to air transport or air services will have to be found within the Assembly's existing budgetary provision."

Is it the case that no funds will be transferred for any development in Ynys Môn and that that will thus be down to the Assembly itself?

Mr. Hain: Yes, it is. The hon. Gentleman would know if he ever got the chance to be in government that that is exactly the kind of hard choice that is involved. *[Interruption.]* I am sorry, Mr. Deputy Speaker, but the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) is muttering from a sedentary position, although I will be happy to take an intervention from him.

Mr. Llwyd: Why did the right hon. Gentleman not give that response to the hon. Member for Ynys Môn (Albert Owen) instead of covering it up and giving a rather woolly answer? The point is that there is no new money, and no new money available for that service.

Mr. Hain: I am not covering up anything and I never give woolly answers, certainly not to my hon. Friends. The Bill does not passport lumps of money to Wales. That comes from a separate channel, as the hon. Gentleman understands. The Bill is about giving the Assembly powers to do things from within its existing and future budgetary resources that it cannot do at the moment.

Chris Bryant: On the slightly different issue of how we ensure that the integrated policy is not just about transport within Wales, many of my constituents have to make regular journeys into England and, for that matter, down to London, but the new timetable does not integrate the valleys line service with the Cardiff to London line service. It is increasingly difficult for people from my constituency to get to London until quite late in the day. They also have to leave London earlier because the last train up to the valleys does not meet the last London train. Will there be a significant improvement on trains, as well as on air travel?

Mr. Hain: That is exactly the problem that we need to address, and the Bill helps us do that. I shall ask my hon. Friend the Minister to look into that to see whether we can apply ministerial pressure, along with the pressure that my hon. Friend the Member for Rhondda applies as the local Member of Parliament, to improve the situation.

Albert Owen: This is an important point. I understand how the funding works and the money will be new. The public service obligation—the application is being made—will allow the National Assembly for Wales to raise money that is matched by the European funding system. That will allow new money to come into the sector. My specific question, which the Secretary of State was unable to answer, concerned external flights, not intra-Wales flights, which I am fully aware will attract new money.

Mr. Hain: My hon. Friend makes the point well. I was simply trying to make it clear that if a flight originated from outside Wales or if Wales was a transit point for flights, it would not be possible to attract new money from within the Welsh budget.

Lembit Öpik: At the risk of sounding like an aviation anorak—perish the thought—the most sensible way to fund the scheme is, if the Minister's interpretation of the regulations is right, to provide support for the intra-Wales legs of the flight from, say, Ynys Môn to Welshpool and then down to Cardiff, and for the operator to self-fund any additional journey. It would be free to fly wherever it wanted after Cardiff, but it would have to ensure that that part of the journey was visibly separated by a financial firewall from the investment in the intra-Wales network. It can be done, but it has to be accounted for carefully.

Mr. Hain: We have to consider the specifics. If there is the possibility of leveraging in—or flying in—more money into Wales, we will definitely do it.

Ian Lucas: Does my right hon. Friend agree that the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) is wrong when he says that there is no more money? The reality is that money has increased from a budget of £7 billion at the inception of the National Assembly in 1999 to £14 billion in 2007. That is more money in anyone's language.

Mr. Hain: That is masses of more money. In fact, it is double the miserable inheritance that we were left by the Conservative Government. It would stand in sorry contrast to the desperate state that transport in Wales would be in if Plaid Cymru ever got its wish and hived Wales off into independence. There are free bus passes for pensioners and the disabled. The extra subsidy for rural bus services has made a big improvement, although there is still a lot to do. There is extra road building, such as the £300 million heads of the valley A465 road, and extra road upgrading. On rail, there are the Ebbw Vale and the Vale of Glamorgan lines to consider. Those advances in transport provision are on the back of the unprecedented economic stability, success and prosperity that the Labour Government have delivered for Wales and the rest of the United Kingdom. Long may it continue under this Government because it would be jeopardised by a Conservative Government.

David T.C. Davies: Whatever else we may say about the Secretary of State, he has been generous in giving way. He once again raises the myth of cuts under the Conservative Government. Can he name one single year between 1979 and 1997 when the money to the Welsh Office was reduced by the Conservative Government?

Mr. Hain: Most of that increase was eaten up by inflation. The hon. Gentleman knows that, under the Conservative Government of that period, the inflation rate was more than double what it has been under

Labour. I know from personal experience of coming into the old Welsh Office in May 1997 that funding was at a dreadful level for education, health and transport. We set about the task of rebuilding Wales's infrastructure. I am surprised—uppity though he is—that he has the gall to challenge me on public spending of all things when the Conservative Government remorselessly cut public spending, closed hospitals, reduced education provision and saw the transport system go down the tubes in Wales. That is the reality.

Mr. David Jones (Clwyd, West) (Con): The Secretary of State mentioned the extension of the A55 across Anglesey. Will he concede that by far the longest stretch of that road was constructed by the last Conservative Administration?

Mr. Hain: I do not know offhand whether it was all constructed under the last Conservative Administration. The hon. Gentleman might find that some of it was in the pipeline, and was perhaps carried out, under Labour. I do not deny that fact, however.

Albert Owen: I thank the Secretary of State for giving way and the hon. Member for Clwyd, West (Mr. Jones) for leading with his chin. The very fact that the road was not finished led to the decline of many industries on Anglesey. The previous Labour Administration earmarked the project for the whole of north Wales. It was not completed under the Conservatives because Lord Roberts, who represented Conwy, built a tunnel under the River Conwy because of objections from local residents. The tunnel absorbed all the money, which meant that the A55 links to Ireland could not be completed, and that led to the decline of port communities like Holyhead.

Mr. Hain *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. The history of transport in Wales is, of course, very interesting, but perhaps we could return to the Second Reading debate.

Mr. Hain: I can assure you, Mr. Deputy Speaker, that I read about nothing else when I go to bed except the history of transport in Wales.

My hon. Friends have been making the point that there is a rapid increase in investment, and in the level of quality and service, in transport in Wales after miserable decades of cuts and under-investment. That investment will carry on and transport services will continue to improve in Wales. The Bill provides a vehicle for delivering that.

In addition, the Bill will enable the Assembly to establish a public transport users committee for Wales. That is a new provision, added in response to views expressed during pre-legislative scrutiny. It will cover all public transport modes—ferries, air services and taxis, as well as buses and trains—ensuring that the voice of the passenger is heard.

Finally, on the rail provisions that were included in the draft Bill, the equivalent arrangements, modified to reflect the reformed statutory framework, were included in the Railways Act 2005. The provisions that appeared in the draft Bill have therefore been removed.

Tom Brake (Carshalton and Wallington) (LD): Is there a risk that it might become burdensome for the Assembly to review each local transport plan and, possibly, to vote on them if it does not approve them? How often does the Secretary of State expect it to consider local transport plans?

Mr. Hain: The Welsh Assembly Government, especially under the new provisions setting out the distinction between the Assembly as a legislature and the Executive, as proposed in yesterday's White Paper, will continue to consider local transport plans all the time. The Bill gives it additional leverage in doing so. I think that the hon. Gentleman is asking how many times the plans will go to the Floor of the Assembly, if the arrangement remains in place after 2007. I cannot foresee the number. The power is a deterrent. If a local authority does not take account of its regional context, the backstop power will be used. That will encourage authorities to look ahead, open their eyes around their boundaries and introduce transport plans that do not face the prospect of effectively being vetoed by the Assembly. The short answer is that I hope that such things will not happen at all, for the reason that I have given, but if they do, the power will be in place.

We face a daunting challenge, given the ever-increasing demand for travel. A world-class transport system for Wales is vital to our future economic and social development. We are determined to ensure that the Assembly has the powers that it needs to respond effectively to that challenge. The Bill provides a balanced package of measures that, taken together with existing powers, will enable the Assembly to deliver integrated transport for the whole of Wales.

I commend the Bill to the House.

1.1 pm

Bill Wiggin (Leominster) (Con): May I begin by apologising to the House, as I shall not be able to remain for the closing speeches? That is a great shame, as this debate gives me the opportunity to welcome the Under-Secretary of State for Wales to his new role. I am sure that he will conduct himself as admirably as his predecessor. I also thank my hon. Friend the Member for Bexhill and Battle (Gregory Barker), who will be standing in for me.

Chris Bryant: Why?

Bill Wiggin: I have a pressing engagement in my constituency, but I shall not share the full details of my diary with the hon. Gentleman—and I certainly will not publish pictures of what I am doing on the internet.

There is nothing wrong with the Bill's aim to create a safe, integrated, sustainable, efficient and economic transport facility and services, although I suspect that it was slotted into the Government's legislative programme and that the White Paper on rail transport gutted the aims of the Bill, which would have allowed the Assembly to have places on the Strategic Rail Authority. However, in order to achieve what the Bill seeks to do, improvements can be made and questions need to be answered.

The Bill leaves many uncertainties and several gaps. The proposal for the transport commissioner to be relocated to Wales has been ignored, despite the recommendations of the Select Committee on Welsh

[Bill Wiggin]

Affairs that that should happen. Such a move was agreed to be a positive step by a great many of those consulted about the Bill, but despite its obvious potential for increasing the local knowledge of the commissioner, that move and any possibility of further powers for the commissioner have been discarded.

We must execute due diligence in ensuring that the way in which the Bill is interpreted and enacted is as positive and beneficial as it can be. In order to achieve that, we must have clarification and assurances on a number of issues. We must have a great deal of detail on the ways in which the Assembly will implement the Bill. Although we welcome the move to grant the Assembly more responsibilities and duties to deliver services, rather than greater powers as such, we must have assurances that the Bill will work in practice.

It makes sense to develop a national strategy for Welsh transport. From reading the evidence of companies such as Network Rail, however, it is clear that there is a definite feeling that, in developing the transport strategy, certain bodies should be statutory consultees. Currently, clause 2(5) provides for Assembly consultation with local authorities and

"any other persons it considers appropriate."

That seems to leave open the possibility for no other consultation, despite the fact that the companies that are likely to be affected by policy should be consulted. There should be a list of possible bodies for consultation, and it should probably be a prescribed list. Transport companies, businesses and professional and community bodies that are likely to be affected should all be consulted, and there should be a duty on the Assembly to consult them.

As with the rest of the proposals in the Bill, we must be certain that schemes featured in the Wales transport strategy are developed with the certainty of sufficient resources. Similarly, several cross-border issues need to be addressed. What impact will the development of the Wales transport strategy have on services that cross the border regularly? Will the bus and train services that move through both England and Wales face control and regulation from the Assembly alone under the strategy? We must be sure that the procedure for consultation with both English and Welsh local authorities is sufficient and accountable. In a case of impasse with English local authorities, adjudication should be carried out by the Secretary of State for Constitutional Affairs or another senior Minister in this Parliament.

We must also be careful to consider the position on concessionary fares in Wales. Will such Assembly measures be included in the Wales transport strategy? If so, we must be assured that the issue has been tackled thoroughly enough. There must be discussions on that issue in drawing up the Wales transport plan. Could those from England who regularly use Welsh public transport be entitled to concessionary fares? If so, where will we draw the line and what extra funding will be required to carry out such a move? We must be certain that the impact and implications have been properly considered.

The development of local transport plans is important, but the Bill seems to make it possible for a great deal of time to be wasted in developing them. The Bill states that if an authority fails to submit its replacement plan within five years, it must do so "as soon as practicable" after that five-year period. No mention is made of what length of time is reasonable in that regard, what incentives there will be or what action local authorities can expect to be taken if they do not provide a plan as soon as is practicable. The situation is similarly woolly in respect of the publication of local transport plans, which must again take place "as soon as practicable" after alteration of the plan. Will the Minister explain the procedures?

We must also be sure that the development of such plans and any changes that have to be made by local authorities will not affect schemes that are already in place. The Bill provides for the Assembly to direct local authorities to work together in the joint discharge of transport functions. That raises several questions, not least about the cost involved in such a move. The Welsh Local Government Association has expressed concerns that the Bill will result in costly administrative reform with no benefit to the travelling public.

Lembit Öpik: I return to the hon. Gentleman's point about the phrase "as soon as practicable", which looks like a get-out clause. Does he agree that it seems that the Government have not made up their mind about whether the provisions will be compulsory or advisory? If there is no compulsion, let us be honest and say that they are advisory. It would be helpful if the Minister clarified that either now or in his winding-up speech.

Bill Wiggin: The hon. Gentleman has made his point to the Minister. We will seek to tease out the details in Committee. The hon. Gentleman is right to draw the point to the Government's attention. The wording suggests that there is compulsion without any compulsory obligation, so we will seek clarification.

The director of the Welsh Local Government Association said:

"Reorganisation with no substantial additional investment is not a recipe for service delivery success."

What reassurance can the Government give that appropriate and adequate funding will be available for changes proposed to local authorities' responsibilities? The Bill states:

"The Assembly may give financial assistance to... joint transport authorities, and... local authorities in Wales".

Can the Minister confirm more precisely whether joint transport authorities will be funded from local authority funds or whether the money will come from the Assembly? Would there be a process for applying for grants by the joint transport authorities? If so, what would determine funding allocations? We must have further information on the procedure that will be involved in implementing the provisions. If the Assembly can choose whether to give funds, surely the likelihood is that many local authorities will be left to foot an increased transport bill without assistance.

Bus Users UK reports that many authorities are currently

"understaffed and spending too little money"

on providing public transport services, which will further increase the cost of improvements. Local authorities are already struggling against the Assembly's habit of changing their responsibilities without providing extra funds.

The running costs of a JTA are assumed to be approximately £1 million per annum in addition to the £100,000 to £200,000 of set-up costs. What impact will that have on the taxpayers of Wales and what assurance do we have that Welsh taxpayers' money will be spent wisely? Much of the £1 million running costs will be spent on the authority's senior management and accommodation, which sounds like an opportunity to create costly administration and support teams, new quangos and more bureaucracy. The attempt better to co-ordinate policy and delivery is admirable, but it threatens to create another costly tier of administration, which is a risk that must be monitored closely.

The wider co-ordination of transport strategy clearly has some merits, not least in attracting the highest quality staff and projects. Nevertheless, JTAs open up the possibility of accountability being taken away from the Assembly and the Welsh Transport Minister. If those developments are to work for the benefit of the people of Wales, the implementation and management of JTAs must be monitored closely. We must also know those bodies' precise powers, which responsibilities will be left in the hands of the Assembly and which responsibilities will be transferred. How will the JTAs and the Assembly be held accountable for their actions?

Does the Minister know which powers the Assembly is likely to confer on JTAs under the provision in clause 5 on discharging "specified transport functions" to regions of Wales? We must be certain that the opportunity to make positive changes to the delivery of transport in Wales is taken. The Confederation of Passenger Transport Wales has suggested increasing enforcement powers for bus priority schemes. Bus lanes in Wales would be much more effective if they were better monitored and if the law were enforced, and giving a local authorities the power to control aspects of public transport could be very successful

In the development of public transport as a feasible alternative to cars, it is essential that every possible move is taken to assist the delivery of those services. We hope that JTAs will help the delivery of Welsh public transport services, but we have many reservations. It is not clear whether the Assembly will have the power to direct JTAs to work together in providing services that cross each other's boundaries, which is clearly a must in delivering integrated transport, especially in areas such as national parks where public transport provision is often specialised and where there is no one owner of responsibility. That point is also important with regard to cross-border transport services.

The Minister must clarify the situation for not only Welsh transport providers, but those from across the border. Can English and Welsh local authorities form JTAs, and if so, how will they work? Do we face the possibility of an all-Wales body here? If so, we must scrutinise that move very carefully because it would risk unnecessary remoteness and expense and should be strongly opposed.

Many unanswered questions remain on the provision of public passenger transport services. What extra funding will be required for that provision? What conditions will the Assembly use to determine the necessity of transport requirements? Furthermore, any power that the Assembly intends to grant must be exercised with regard to its effect on other transport services and strategies across the UK and the ability of the infrastructure to provide an effective network.

We broadly support the idea of a public transport users committee for Wales, but we must carefully monitor its development. That idea has the potential to progress into another example of waste and bureaucracy by this Government, especially given that the Bill grants the Assembly powers to

"make payments to the committee of such amounts, at such times, and on such conditions as it considers appropriate",

as well as controlling officers, staff, proceedings and the committee's functions. The regulatory impact assessment estimated that setting up such a committee would cost £305,000 per annum, plus £50,000 in setting-up costs. Those are substantial sums for the Welsh taxpayer to bear, and the Assembly's new responsibilities will be carried out with no extra funding from Westminster.

The Bill seems to grant the Assembly powers for the transport users committee without any provision for the review of such a body. Surely some opportunity must be provided to review the usefulness and effectiveness of this committee. We must also consider the cross-border implications: will those who use Welsh transport regularly, yet live on the other side of the border, have a voice? A minority of people will potentially be left without the ability to air their views on the transport that they use on a daily basis.

The provision to deliver financial assistance to air transport services in Wales again raises the question of funding. The financial implications are huge—granting the Assembly the power of financial assistance for air transport with no transferral of funds means that support will have to be found within the Assembly's current budget. It looks as though significant amounts of Welsh taxpayers' money, which some might argue could be better spent elsewhere, will be spent on the additional costs of this Bill's proposals.

Albert Owen: The extra money from the Welsh Assembly budget will be spent on a subsidised transport system. Does the hon. Gentleman accept that trains and buses are heavily subsidised? The air service is also likely to reduce the number of road journeys, which will help the environment.

Bill Wiggin: I referred to people who might argue that the money could be better spent elsewhere, because the debate will rage over whether the money is best spent on flying, given the number of people who use the service and the possibility of providing further subsidies to rail or buses. Transport experts will have an internal debate about the best way to spend money on transporting people around Wales.

Lembit Öpik: I want to clarify the Conservative position, because there is cross-party support for an intra-Wales air network Will the shadow Secretary of State for Wales confirm that, like many Conservative Members, he agrees in principle with an intra-Wales air network?

Bill Wiggin: I knew that I should not give way again to the hon. Gentleman. I will not confirm our position

[Bill Wiggin]

one way or the other. [HON. MEMBERS: "Why not?"] I have not seen sufficient evidence on the viability of that suggestion, which, again, I hope to explore in Committee. I have not ruled out the suggestion and my mind remains open.

Chris Bryant: The hon. Gentleman is an extremely magnanimous person. He just said, "some might argue", and then proceeded to advance an argument that he has obviously examined in considerable detail, otherwise he would not have chosen to bring it to the Chamber today. He must have reached some sort of the view on the matter, or is he using weasel words and hiding behind other people's arguments?

Bill Wiggin: I am not inclined to use weasel words—I leave that to the Labour party. The best possible use should be made of Welsh taxpayers' money, and it is not yet clear whether subsidising air transport is the best use. As I have said to the hon. Member for Montgomeryshire (Lembit Öpik), however, if the case is made, my mind is not made up and I remain open to the argument. I recognise that the Bill will open up the argument, which must be had and won in order for the subsidy to be justifiable.

Albert Owen: Does the hon. Gentleman agree that it is important to add the time that businesses save to the per-mile formula? For instance, a businessman from north-west Wales who travels to Cardiff not only spends four and a half hours travelling in one direction, but possibly stays in a hotel, which might make the whole trip last for a day and a half. That is a lot of time and effort for a small businessman to spend away from his business, which is a factor that should be brought into the equation.

Bill Wiggin: The hon. Gentleman and I visited RAF Valley together, and he must bear in mind the environmental impact of flying and factors other than speed and cost. My mind is open, and the Assembly must decide whether to go down that route. I have not in any way sought to influence that decision because I want the debate to take place. Hon. Members may feel that I am fudging the issue—

Chris Bryant: Yes.

Bill Wiggin: Let me be clear: to have the debate we need to go through the arguments. Clearly, some hon. Members have made up their minds. However, I believe that the environmental impact is important and that the bus and train companies will argue strongly that they deserve the money more and that their claims outweigh the potential gain from air traffic. Hon. Members must make up their minds, but I suspect that such a debate will take place and I look forward to participating in it and making my mind up when I have heard all the evidence. I suggest that the hon. Gentleman does the same.

Hywel Williams: I do not intend to be churlish today, but perhaps I could refer the hon. Gentleman to the extensive evidence—for both sides of the argument—in the Select Committee report. Surely he could have prepared for the debate by reading that interesting document.

Bill Wiggin: When the hon. Gentleman gets up in the morning and decides not to be churlish, he should stick to that resolution.

The purpose of the Bill is to give the Assembly the option. The Assembly will have to wrestle with its decision, just as I have. It would be nice simply to say yes or no, but why should I do that when I have strong reservations about the environmental impact and when there are important questions about the sort of air transport to be put in place, its financing and its viability? That debate must take place and I welcome that. I do not believe that the Select Committee report is conclusive. We should not be boxed in on Second Reading of a Bill that empowers someone else to provide the money for the transport.

Other hon. Members should be keener to listen to debate and enjoy the argument, from whatever position they choose to start, rather than closing their minds. It would be easier simply to say that the option is not currently viable and that the power should not exist in the Bill. However, I do not agree with that. The Assembly can make the best of the power if it sees an opportunity to do that. The points that the hon. Member for Ynys Môn (Albert Owen) made are legitimate, but so are the environmental ones. *[Interruption.]* The Secretary of State is chuntering from a sedentary position. I shall happily give way to him if he wishes to sally forth.

Mr. Hain: The hon. Gentleman sounds moderate and reasonable, which is untypical. However, he wants to abolish the Assembly. He is nodding. What, therefore, is the point of making his speech?

Bill Wiggin: My personal views on the continuation of the Assembly are widely known, but the question of whether air transport is devolved is not a difficult aspect of the Bill because the people of Wales will judge whether the right decision is made. The Secretary of State's difficulty was summed up in his statement yesterday: will the people of Wales get the right to express their opinion? I have always believed that they should have the opportunity, through a referendum, to say whether they want the Assembly to continue, remain as it is or be further empowered. Yesterday, I discovered that the Secretary of State believed that such a referendum would be lost. That is news to me because he spent the entire election campaign telling me that I was wrong.

Mr. Hain: I will not stray outside the terms of the debate, but I was intrigued by the assertion that the hon. Gentleman was expressing a personal view. He is talking about one of the key policy areas that face Welsh politics. How, as shadow Secretary of State for Wales, can he express a personal view on the abolition of the Assembly and not expect it to be interpreted as party policy?

Mr. Deputy Speaker: Order. We are not debating the existence of the Welsh Assembly. The hon. Gentleman should proceed with the rest of his speech.

Bill Wiggin: Thank you, Mr. Deputy Speaker. I shall take your wise advice gratefully, but I would have loved to continue the debate.

Granting financial assistance for air transport with no transfer of funds means that support will have to found from the Assembly's current budget. It appears that significant amounts of taxpayers' money, which, some might argue, could be better spent elsewhere, will be spent on the additional costs of the proposals.

The development of transport and the economic possibilities in Wales is of the utmost importance. However, it is also important to remember that the commercial viability of flights in Wales today is questionable. The need for subsidies to begin running air transport services raises the question of whether the services would be workable in the long term. Relatively few people would benefit from the development of air services in Wales, compared with other more sustainable and less environmentally damaging forms of transport. There is no definite evidence of an unmet demand for flights in Wales. As Bus Users UK stated:

"required financial support is likely to be vastly out of proportion to the benefits that may accrue".

We welcome the prospects for developing Wales's economy and services, but there is a need for great scrutiny of the matter.

We welcome the responsibilities rather than the powers that the Bill grants the National Assembly for Wales. However, there is clearly a need to continue reviewing the Bill's progress carefully. The results must be what is best for the people of Wales. The relevant bodies and spokesmen who were consulted during the drafting and previous scrutiny of the Bill asked for that.

Huge questions remain, not least the details of how a truly integrated transport network, including cross-border services and authorities, will be delivered. We must be better informed of who exactly will be responsible and accountable for the bodies that the Bill aims to create. We must also know who will be responsible for delivering the appropriate funding. We clearly need to probe further into the exact mechanics of the Bill in Committee. Although we welcome the proposals, the measure must continue to be scrutinised and its finer details must be confirmed before we can accept that it truly offers the best deal for transport users in Wales.

1.27 pm

Albert Owen (Ynys Môn) (Lab): I am pleased that the Bill has come back to the House. It has been a good week for Welsh legislation, given the announcement of the White Paper's contents yesterday. It has been an excellent week for Wales on the rugby field, with Gethin Jenkins and Gareth Thomas scoring winning tries, showing the importance of a Welsh dimension in the British context. I hope that the English coach of the British and Irish Lions will pick more of the Welsh grand slam winners for his team. That is probably the only controversial remark that I shall make in my speech. I hope that the powers that be are listening.

The Bill has been considered exhaustively by many channels. In the previous Parliament, I had the honour of being a member of the Select Committee on Welsh Affairs, which considered the Bill jointly with the National Assembly for Wales. There was good partnership working between the Assembly's Economic Development and Transport Committee and the Welsh Affairs Committee. Indeed, we held joint sessions in Wales and in the House of Commons, and we went through many of the arguments in great detail. That is why I was surprised when the hon. Member for Leominster (Bill Wiggin) said that the debate would take place: the debate on air services has happened in the Assembly, where Conservative Assembly Members had the opportunity to have some input. Some did—indeed, some came off the fence, although the hon. Gentleman is unwilling to do that.

The hon. Gentleman was generous in giving way, although he gave the impression that I did not support the environmental argument. That is not the case. The planes would be light aircraft, and their use would be balanced against the cut in road journeys from north to south. Anybody who has travelled from the north-west to the south-east knows about the log jam on those roads. Alleviating that would be helpful. The hon. Gentleman mentioned the viability of air transport and claimed that there were no working models. He is wrong. If he considers the west coast of Scotland, he will see that such models work well. An hon. Member who represents a Cornish constituency is present and that reminds me that there is also a working model from Stansted to Newquay, which helps tourism and economic development in Cornwall.

Mr. David Jones (Clwyd, West) (Con): How many passengers could each of those light aircraft accommodate?

Albert Owen: The scheme being undertaken started with the figure of 48, and there could be six to eight flights a day if it succeeds. There are 150 people in the public sector alone who travel from north-west Wales to Cardiff every day. If a third of them decided to go by plane, they would make the scheme viable, but that would be in addition to the tourism potential of the flights for bringing people to that area. If the hon. Gentleman is patient with me, I shall link that issue to other modes of transport a little later.

The Bill has been well rehearsed in the House and has in many ways been superseded by the Railways Act 2005, which contains some important Wales-only measures that give powers to the National Assembly for Wales. This is real devolution. It shows that devolution can work under the current arrangements.

A modern, sustainable—that word is rightly used in the Bill—and efficient transport system is vital for Wales, especially in periphery areas such as mine. On that point, I welcome my hon. Friend the Under-Secretary of State for Wales to his new place on the Front Bench. He has a hard act to follow in the new Under-Secretary of State for Defence, who was a very good Minister. However, my hon. Friend has the additional qualifications of representing both a periphery area like mine and port communities. I hope those qualifications come in handy in his job and in responding to some of the points that I have made.

When I discuss integration, I talk about full integration—road, rail, air and sea. After all, we live in the United Kingdom of Great Britain and Northern Ireland, which can be circumnavigated. It is possible for

[Albert Owen]

people to navigate their way around Wales, but not by public transport. Full integration must take all those factors into account. I note that my right hon. Friend the Secretary of State mentioned ferries, but the Bill contains no clause pertaining to sea transportation. I would have liked such a measure to be included so that the issue could be explored a little more.

As is the case for my hon. Friend the Under-Secretary, my constituency contains a big port—Holyhead, which is one of the fastest growing ports in the United Kingdom. Indeed, it is the third largest and traffic is increasing. We in Wales need to concentrate on the integration of different modes of transport, which includes the ferries at the ports that bring in hundreds of thousands of tonnes of cargo. Much of that should be transported by rail rather than road.

In addition to freight, a lot of people are carried, but they have great difficulties with the timetabling of ferries, buses and trains. The Bill will help by concentrating the efforts of the National Assembly on establishing a strategy to consider inter-modal issues.

I have lobbied hard for funds for the port of Holyhead. The Under-Secretary of State for Defence and my colleague in the European Parliament, Glenys Kinnock, worked with the Department for Transport to get additional funds into the port of Holyhead. As a consequence, Stena Line has invested greatly in the port and new berths have been created. Furthermore, the port of Holyhead now has the largest conventional ferry and the largest freight liner in Europe, as well as one of the biggest FastCat catamarans in the world, owing to Government funding and their strategy to build ports in Wales. That has created and sustained numerous jobs.

Only this week, one of the largest cruise liners in the world docked in Holyhead. A local north Wales newspaper, the *Daily Post*, carried the story:

"The biggest passenger ship ever to dock in North Wales, yesterday dropped anchor off Holyhead."

About 2,500 American tourists came ashore at that point, but they were brought in flotillas of small ships. That is why I am raising this point. If sea transportation was given greater prominence in the Bill, there would be a greater determination among the Government of Wales, and indeed among this Government, to build the port infrastructure to deal with this very important developing industry, the cruise liners.

I am a little disappointed that there is not much emphasis on full integration involving sea transportation, but I am very pleased—as my hon. Friend the Minister will know and as many interventions have confirmed—on intra-Wales air travel. The hon. Member for Montgomeryshire (Lembit Öpik) has been a great advocate on this point, and we have worked together on it. The decision of the National Assembly for Wales to go ahead is good, as RAF Valley in my constituency will be linked with Swansea and Cardiff. It that succeeds—I believe it will—it might lead to a round-robin system in Wales, which is very important.

The hon. Member for Clwyd, West (Mr. Jones) asked me about these light aircraft in an intervention. They carry some 48 or 50 people. If they flew regularly, that would help business, commerce and tourism in Wales. This is a step in the right direction. Indeed, every modern, efficient European country has such a mode of transport and every modern and successful European country links its periphery areas with its capital city. The Republic of Ireland is spreading wealth throughout the country as a consequence of using air services in addition to other modes of transport, including rail and road.

Mr. David Jones: Has the hon. Gentleman any information as to the likely take-up of such an air service from Anglesey to Cardiff, outside the public sector?

Albert Owen: It is difficult to comment, but if the hon. Gentleman had been listening rather than talking to the hon. Member for Leominster, he would know that I was developing the argument of tourism. If he considered our giving the hundreds of thousands of people who land at the port of Holyhead the option of flying to other destinations—for example, to join cruise ships—he would realise that unlimited and untapped reserves are available there. Hundreds of people could use those services.

That is what happens in north-west Europe. Some remoter ports in Denmark and Norway already have such a system, whereby people on cruise liners in periphery areas travel by light aircraft to major capital cities. There are working examples around Europe. It is impossible for me to determine the exact figure, but there is great potential there, although it was ignored by the previous Administration.

David T.C. Davies: I enjoy the hon. Gentleman's vision of thousands of tourists arriving in port and immediately catching a plane, but does he not agree that, even if this were viable, although I have doubts about that, it would be made less so by the transport links from Cardiff airport towards Cardiff, Bridgend and other cities in Wales? As I understand it, cruise ships dock for only a day or two, so it is not very likely that people could go off to see something significant in Wales.

Albert Owen: I have to disagree with the hon. Gentleman. There are many significant things to see in north-west Wales, for example. As I said, although I think he was talking to the hon. Member for Leominster at the time, the cruise industry is growing. According to the *Daily Post*, this summer alone it is worth about £4 million. That is the potential: 2,500 American tourists, who might go to Southampton or Le Havre, would have the opportunity to come to Wales, and I think that vision should be applauded, not treated with the disdain shown by the hon. Gentleman.

Of course links to Cardiff are problematic—I understand that—but if the people who want to undertake the journey can take 40 minutes to fly from north-west Wales to Cardiff and then spend some time in a car, as opposed to taking four and a half or five hours to complete the journey by train, there will be a net gain for them.

Bill Wiggin: Following our earlier discussion of air transport, I understood that the hon. Gentleman had made the case that this system would be an important business link, relieve traffic congestion and have obvious positive consequences. Of course, we all know that

people could travel to other airfields should they wish to do so, but he now seems to be making the case that the subsidy spent on transport by the Welsh Assembly would be for the benefit of tourists. That is why I made the case that we need to have this argument. It would be interesting to know how he decided that the aeroplane would have 49 seats and what the reality is likely to be. Clearly, a lot of information about what is to happen is missing from the Bill.

Albert Owen: To get back to the Bill, it obviously deals with the intra-Wales link between Cardiff and Swansea and the north of Wales. I am expanding on the potential for links with other areas such as business and tourism, and I am disappointed that the interventions from Conservative Members seem to run that down. The hon. Member for Clwyd, West commented on the A55 not being complete. The first thing that my right hon. Friend the Secretary of State did as a Wales Minister in 1997 was to allow that to be completed, because the decay in the port communities of Holyhead was horrendous. During the 1990s, as a consequence of having no infrastructure in place, those communities had the highest unemployment in Wales. That is no longer the case, and I am therefore proud of this Government's record. The hon. Member for Monmouth (David T.C. Davies) should acknowledge that having vision is good, as that is what makes young economies grow. I am pleased that the infrastructure now in place will allow the Welsh economy to grow.

I realise that several Members want to speak, so I shall make just two further points to the Minister. First, if we are talking about full integration, I am slightly disappointed that there is less emphasis on sea transportation. Secondly, as I said in an intervention, if subsidies are not given to the intra-Wales service, will he consider whether they could be extended to link Cardiff with Dublin or Dublin with London via the Welsh route?

I very much welcome the Bill returning to the House, and I will support its Second Reading.

1.41 pm

Lembit Öpik (Montgomeryshire) (LD): Ever since the hills and valleys of Wales were formed some time in the ice age, Wales has been difficult to get around. It has lacked a joined-up transport system. The geography of the nation together with the lack of a cohesive strategy in the past has definitely held Wales back.

Previous strategies launched in the past eight years have, in my view, failed to resolve the incoherence of the Welsh transport system. We all know that when the system works, it tends to work from east to west and then back again, and that there is relatively little strategic investment in north-south routes. What little there has been has tended to go into road transportation rather than other modes.

It is therefore hardly surprising that the Royal Automobile Club estimates that it currently takes almost five hours to travel the 193 miles from Holyhead to Newport by road. It takes almost three hours to get from Cardiff to Aberystwyth, which is only 111 miles, and almost four hours to travel the 150 miles from Wrexham to Haverfordwest. Everybody knows that it is quicker to get from north Wales to London than from north Wales to Cardiff. That is not joined-up transportation, and it is not helpful for the long-term strategic intentions that this Government, and any Government, would have for Wales.

The importance of the transport system cannot be underestimated in the context of Welsh development. At present, Wales is in danger of becoming a two-tier nation, with parts of the south booming and areas of the north and west still heavily reliant on objective 1 European funding simply because of comparatively low incomes and comparatively low growth rates. Without proper Welsh-made transport, those without good transport access will be left behind, and we will see an increasing divide between rural and urban economic developments and between the north and south. We are already seeing resentment as the M4 corridor gets significant investment and is accessible, while other parts of the nation suffer in silence. The decline of manufacturing in areas such as Powys is a good example of the pressures experienced when transport links are not in place.

During the general election, a recurring theme for me was the reality of car dependence in rural areas such as mid-Wales, as has been pointed out. Let us face it: there is no point in having a bus service if there is only going to be one person on the bus. In any cohesive strategy for Wales, the role of the automobile must be considered.

Another recurring theme was the poor state of the rail services. For example, there is currently only a two-hourly service during the week between Birmingham and Cardiff. If a train is cancelled, that means a four-hour wait. Few people from that area will have escaped the problems of being left high and dry by a service terminated in, for example, Wolverhampton. I listened with interest to the hon. Member for Leominster (Bill Wiggin), as I always do, and while he has been cautious with respect to aviation and so forth, I was disappointed that he did not express his opinion on whether privatisation was the single most damaging thing that any Government of the last 30 years have done to the service endured by Welsh rail users.

Bill Wiggin: Utter nonsense.

Lembit Öpik: The hon. Gentleman has confirmed from a sedentary position that he has a strong view on the matter. That is fair enough—he is entitled to his view. I believed at the time, however, and continue to believe on the basis of the evidence, that rail privatisation has decimated the service, which should have been kept intact and, at that time, in public ownership.

David T.C. Davies: Is the hon. Gentleman suggesting that the days of British Rail were some kind of golden age for the railway?

Lembit Öpik: At the time I did not think so, but looking back, I would give anything to return to the flawed but much more coherent days of British Rail compared with what we have now. By implication, I assumed that the hon. Member for Monmouth (David T.C. Davies) and his colleagues all continue to believe that privatisation of the rail services was a good idea. It is just as well, then, that their party did not get re-elected, because if, even today, they have not learned the

[Lembit Öpik]

lessons of privatisation of the rail service, that suggests that British transport will not be safe in the hands of a Conservative Government.

Bill Wiggin: The hon. Gentleman is sitting next to his party's transport spokesman. Could he tell us what the Liberal Democrats would do?

Lembit Öpik: Unfortunately, because of the decision made by the Conservatives at the time, it does not look feasible to return to those days and reverse their appalling decision. If the hon. Gentleman would like more detail on that, I shall be happy to have a quick session with him afterwards, including a discussion on aviation, to enlighten him on the reasons why the Conservative Members currently in this Chamber are in a minority of four on support for privatisation of rail services.

Another issue that we must bear in mind in relation to the integrated rail and transport strategies for Wales is that these problems cannot be addressed overnight. It would be churlish to pretend that one piece of legislation could do so. However, the Liberal Democrats feel that the Bill represents a prudent move, as it gives the Welsh Assembly the power to make some strategic changes.

The Bill contains many good points. For example, it provides the opportunity for better and faster north-south road links. We all need to recognise that any expansion and extension of road networks must be approached with caution on account of the environmental damage that cars do. We must also recognise, however, that cars are a fact of life and that the north-south roads are nothing like as good as the east-west links, which disadvantages large parts of Wales, especially rural Wales.

The Bill provides the opportunity to modernise and improve the efficiency of the railway system that serves the whole of Wales. It contains a proper appreciation of the current transport situation in rural areas and of the need for fair treatment of those whose only option is the car. If passed, and, I hope, improved a little in Committee, it can directly benefit the economy three ways: tourism, industry and agriculture. It will enable the Welsh Assembly to take a strategic approach to the problems that we face.

As right hon. and hon. Members may have guessed, I welcome particularly the emphasis placed by the Bill on air transport services—a sector with enormous, and in my view largely untapped, potential in Wales. Airports, including those in Ynys Môn, Welshpool, Swansea, Haverford West, Cardiff and Caernarfon, provide a perfect opportunity to link Wales up in a fast and efficient way with minimal requirement for additional investment in infrastructure. The Secretary of State, no longer in his place, and I flew down together from Welshpool to Cardiff some years ago and my hon. Friend the Member for Cardiff, Central (Jenny Willott) was indeed on that flight, learning the skills that now make her such an exceptional representative as MP for Cardiff, Central. Following that fine tradition—

David T.C. Davies *rose—*

Lembit Öpik: On the assumption that there will be further praise for my hon. Friend the Member for Cardiff, Central, I happily give way.

David T.C. Davies: If we secured a north-south Wales air link, would the hon. Gentleman consider leaving his parliamentary position to fly the planes? If so, it could change our minds about the viability of such a service.

Lembit Öpik: If the hon. Gentleman would like to see the benefits of a north-south link, I would be happy to take him—without a parachute—for a flight in my own aircraft. Having just passed my class 2 medical, which entitles me to be a private pilot, I would not want to push for a class 1 medical, but I am grateful for the hon. Gentleman's encouragement. I shall regard his suggestion as a fall-back option in case everything goes belly up in my current employment.

Ian Lucas: I heard a great deal during the general election campaign from the Liberal Democrat candidate about his opposition to air transport as a non-sustainable form of transportation. Is it Liberal Democrat policy to develop a regional network of air transport within the UK?

Lembit Öpik: On the first point, the Liberal Democrats view emissions trading as the right approach so that account can be taken of the environmental damage that various modes of transport cause. On the second question, the hon. Gentleman will know, having closely studied the Welsh Liberal Democrat manifesto, that one of our commitments was support in principle for a regional air network in Wales. That is the jurisdiction about which I speak. We have already touched on the environment and environmental damage, and I will come to it later, if the hon. Gentleman will bear with me, because I want to deal with the issue in the context of what the hon. Member for Leominster has said.

Having seen the benefits of air transport at an early stage in Wales, I was surprised that the hon. Member for Leominster was so cautious in expressing a view on behalf of his party. He says that he has an open mind, but I believe that it is open to a fault. Many members of the Conservative party have, as the hon. Member for Ynys Môn (Albert Owen) said, already committed themselves to the benefits of a regional air network in Wales. For the hon. Gentleman to say that the Conservatives do not have a position on that matter implies that he has not been looking at the facts to the extent that he should have. In fairness to him, he has said that he will consider the arguments. I have no hesitation in expressing my hope that he will be persuaded, particularly in Committee, of the benefits of having a regional air network.

Some of the arguments made by the hon. Member for Leominster were rather curious. For one thing, he and the hon. Member for Clwyd, West (Mr. Jones) were badgering the hon. Member for Ynys Môn about how many seats the aircraft would have as if that were the key consideration—it is not. Partly owing to environmental considerations, a regional air network in Wales will never be a method of mass transportation. That is not what it is for: it is a method of fast transportation for the small number of people who really need to get to from one part of Wales to another quickly.

Mr. David Jones: Does the hon. Gentleman accept that the take-up for such a service is more likely to

include civil servants, Members of the National Assembly and Members of this House? Frankly, commercial demand for that service is minimally low.

Lembit Öpik: The hon. Gentleman has obviously done his own research, but I want to ask him what conversations he has had with Pierre Sarre. Has he even heard of Pierre Sarre? Probably not, but everyone in Montgomeryshire knows about Pierre Sarre's company Control Techniques. It employs hundreds and hundreds of people in Montgomeryshire. It is one of the most important employers in my area. Pierre Sarre needs to get in and out of Wales quickly and he often comes from abroad. He lands at Welshpool airport, he does his business, then he heads off again. He will often bring customers from around Europe into Wales speeifically to seal deals that are worth millions of pounds to the mid-Wales economy. That is a classic example of the importance of having a regional and accessible air network to enable such high-valued passengers to come in and out and make an unquestionably significant contribution to the economy of Wales.

Bill Wiggin: The hon. Gentleman is being unnecessarily uncharitable to me. The Bill is not about whether or not air transport in Wales is a good thing, but whether the Assembly can subsidise it. My mind is open because I believe that the Assembly must make the case when it spends the money. It is no more complicated than that; it is very straightforward.

Lembit Öpik: The only reason I am going on about it is, if I may say so without sounding childish, that the hon. Gentleman started it. *[Interruption.]* Oh, yes he did. If he had not told us that he was sceptical about the case for regional air networks, I would not be telling him that he should be more confident about it.

Mr. David Jones: I fully take the point that there is a demand for regional air services both coming into and going out of Wales. The hon. Gentleman has referred to the example of Pierre Sarre, but my question related to an intra-Wales service. My point was that the demand for and take-up of an intra-Wales north to south service—whether it be from the valleys or Cardiff to Caernarfon—was likely to be from the public, not the private, sector.

Lembit Öpik: I could provide many examples of industrialists who regard access to good airport facilities in Wales as very important. There is Carlo Sidoli, who runs Sidoli's ice cream in Welshpool. He often brings customers in and out. We all agree that that is an important reason for having an aviation infrastructure.

As to whether civil servants or others use the network, I believe that there is a good case for having aircraft with fairly small capacity to take the small number of people who go from north to south Wales on a regular basis in an efficient fashion. The hon. Gentleman mentions civil servants using it. That may well be the case, but he must recognise that one of the things that suppresses north-south economic development in Wales is the fact that people cannot make the journey quickly. The hon. Gentleman disagrees, but I can assure him that there would be a feasibility study before any system was set up. John Pritchard of KPMG has just completed a feasibility study of the expansion of Welshpool airport. He took the view that there was an economic case for having an extended runway and two new hangars in the area.

I will resist the temptation to argue in any further detail about what sort of scheduled services should be set up, but it is possible to find an aircraft for every occasion. One could use an eight-seater Piper PA31 Navajo, for example, which can transport people at about 195 mph or one could opt for a Dornier 328 or Dornier ATR42. Aircraft can be found to fulfil the demand.

Albert Owen: The hon. Gentleman knows that a study of intra-Wales air links has already been undertaken by the National Assembly for Wales. There has also been a consultation process in respect of the aviation White Paper in the House, in which I and many others had the opportunity to participate. The research has already been done, and it is surprising that the Conservatives do not know about it, particularly when one of their number was a Member of the National Assembly for Wales.

Lembit Öpik: Actually, there were two of them. I am surprised by the apparent level of ignorance of the existing information. What we do not have is a detailed assessment of what the schedules should be and precisely which aircraft should be used, but all that will be done in time. I am satisfied that enough work has been done to convince me and others that such a small aircraft network is a viable proposition for Wales.

David T.C. Davies: If the hon. Gentleman is so convinced that it is a viable business proposition, would he be willing to put any of his own money into it?

Lembit Öpik: That is the most extraordinary question that I have been asked in the House for a long time. I am a politician, not an airline mogul. Since the hon. Gentleman asks, however, in the late 1980s I was, as it happens, on the verge of setting up—jointly—a charter airline operating from Newcastle to national airports. The only reason we did not do it was our realisation that owing to the bankrupt economic policies of the Conservative party, the business would have gone down the tubes. So I blame the hon. Gentleman, by proxy, for the fact that I am in Parliament.

Environmental considerations are very valid when it comes to air transport, but we must recognise that any intra-Wales air network would contribute a relatively small emission, because the aircraft would have relatively small engines. I return to the example of the eight-seater aircraft. It flies on about 28 gallons per hour. If there are four passengers, that works out at about 22 miles per passenger gallon. That is not wonderful, but it is an extremely small percentage of the overall contribution of aviation to pollution. I still think that the importance of emissions trading cannot be overestimated.

The other irony is that the Conservatives complain about the environmental damage caused by aviation, although I seem to remember the leader of the Conservative party, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), endlessly

[Lembit Öpik]

flying about in a twin-turbine helicopter. Presumably the hon. Member for Leominster has run off to the Conservative party leader's office to complain about that environmental damage. As I have said, the hon. Gentleman has been somewhat at variance with his party. I hope that he will think again about his caution in regard to aviation, with the benefit of hindsight.

While welcoming the Bill, we hope that the following matters will be considered seriously. We feel that the Bill attaches insufficient weight to the importance of sustainable development—which, of course, includes aviation. If the Wales transport strategy is to achieve optimum outcomes at environmental and community levels, there must be a strong emphasis on sustainable development. Sustainability is mentioned in clause 1(1)(a), but I think it should also be mentioned in clause 4(3) and clause 7(2). The goals of economy, efficiency and effectiveness must be achieved in a sustainable context. One possibility that is not often mentioned in the context of transport is the elimination of certain trips that are currently necessary. All Governments should consider promoting home working from now on. Given the availability of information technology, people's quality of life could be improved in that way, while congestion on both roads and public transport could be reduced.

Will the Minister tell us what impact he expects the Bill to have on the Welsh railway network? It is impossible to have a coherent, comprehensive transport strategy without efficient rail networks. The hon. Member for Leominster made the valid point that we need to understand the interrelation between services that start in England and finish in Wales, and vice versa.

People feel that the differences in the Scottish and the Welsh arrangements have come about in a rather arbitrary fashion. I should be grateful if, either now or in Committee, the Minister would give us an idea of the differences that the Government perceive between Scotland and Wales, and of the rationale for the changes. I think it instructive to look at what has happened in Scotland.

As I said in an intervention, Northern Ireland provides a very good example of a successfully integrated rail and bus system. There is also a degree of integration between Belfast city airport and the rail service, although I do not want to push that too far. Will the Minister assure us—especially in view of the Secretary of State's dual role—that the Government will look at best practice in Northern Ireland and ensure that the Bill we pass facilitates its implementation in Wales?

Let me return to aviation. The Bill gives us an opportunity to invest in the air network. Notwithstanding the criticisms that I have made of comments by Conservative Members, I think that the hon. Member for Clwyd, West made a fair point: we must justify any money that we put into the network. Perhaps, now or when we reach the relevant clause in Committee, the Minister will explain how he thinks the Assembly would make the calculation. He may be interested to learn that Andrew Davies, the Economic Development and Transport Minister in Wales, is flying to Welshpool airport to review developments there. I believe that he too advocates a regional air network service.

The Bill is very straightforward, and we will support it. Some points of detail need clarification, but if it fulfils its promise, we shall not only have a further opportunity to devolve important powers to the Assembly, but have the best opportunity in a generation to do something that has not been done before—to integrate the air, rail and road services that make Wales not a two-tier nation, but a one-tier tiger economy.

2.5 pm

Mr. Martin Caton (Gower) (Lab): Like my hon. Friend the Member for Ynys Môn (Albert Owen), I was a member of the Select Committee that, in the last Parliament, undertook pre-legislative scrutiny of the Bill in its original draft form, in partnership with the Assembly's Economic Development and Transport Committee. It was the first time that a Committee of the House had worked formally with a Committee in a devolved Administration, but I am sure that it will not be the last. It proved to be a happy and successful collaboration, although it was not without its problems.

The tightness of the timetable prevented our evidence collection from being as comprehensive as we would have liked, and the Government's announcement of the demise of the Strategic Rail Authority made major clauses in the draft Bill, and recommendations in the respective Committee reports, redundant by the time we debated the draft legislation in the Welsh Grand Committee last July. I am pleased, however, that the Railways Act 2005 picked up provisions relating to railway services that were originally part of the draft Wales Bill, and, indeed, the spirit of the Select Committee's recommendations—contrary to what the hon. Member for Leominster (Bill Wiggin) suggested in his opening remarks.

The National Assembly now has a clear role in any franchise that is Wales-only or includes Welsh services. It is responsible for determining priorities for local and regional services and setting fares for them, and it has a greater role in developing stations and local lives. I welcome that legislation and its contribution to the integration of transport policy in Wales. That is, in fact, very much the subject of the Bill: empowering the National Assembly to develop and implement policies that will contribute to a safe, integrated, sustainable, efficient, economic transport system to, from and within Wales.

I want to concentrate on the issues on which the Select Committee focused. I congratulate the Government on their positive response to many of our recommendations. The improvements to what was actually a pretty good draft Bill demonstrate again the value of pre-legislative scrutiny by Select Committees. Of the 14 recommendations that were relevant after the SRA announcement, eight have been accepted by the Government and included in the Bill.

The original draft Bill left the rail passengers committee and the National Federation of Bus Users in Wales as the separate representative voices of users of most public transport in Wales. As a key objective of both bodies has for some time been the better integration of transport modes, it seemed logical to us to call for a provision to empower the Assembly to create a single, joined-up public transport passengers committee. Apart from the common-sense integration

argument in its favour, the establishment of such a body will eliminate the historic disparity between funding for bus users' representatives and funding for rail users' champions. The Government agreed with us, and included the necessary provision in the Bill. As the Secretary of State has pointed out, the new committee will also embrace other public transport modes.

The report drew attention to the fact that, although facilities and services for pedestrians had been given a specific mention, there was nothing about cycling in the Bill. Again, the Government have rectified the omission. We also drew attention to the absence of any reference to environmental sustainability, and the Government have included that in a general transport duty for Wales. I know that that has not completely satisfied environmental and wildlife groups. Like, I suspect, the Liberal Democrats, I received a briefing from RSPB Cymru, which called for the reference to be strengthened, perhaps by direct reference to the Assembly's statutory duty under the Government of Wales Act 1998 to "promote sustainable development". It also called for further references to that duty in clause 4, for better discharge of transport functions, and on clause 7, which relates to direct agreements between the Assembly and providers of public transport services. I have some sympathy for those calls, but they are clearly a matter for consideration in Committee. In any case, I warmly welcome the Government's inclusion of sustainability in the Bill.

The Select Committee also made recommendations to try to deal with concerns raised by local authorities and the Welsh Local Government Association about their future role under the Bill. They were worried about Assembly involvement in the production of local transport plans and the fact that councils were not specifically mentioned for consultation on the Wales transport strategy. We recommended alterations to try to address these concerns. Again, the Government have responded positively and the Bill includes an explicit duty on the Assembly to consult Welsh local authorities, and English local authorities with boundaries on the Welsh borders, in preparing for the Welsh transport strategy. They have also amended the draft Bill so that any decision to refuse a local transport plan for any reason would have to be taken by the National Assembly in plenary session. The Bill has been redrafted to make clear the central role of local authorities in the appointment of a majority of members of joint transport authorities. Those changes will help to ensure that the Assembly and local government work hand in hand to improve transport provision in Wales in the years ahead.

I now turn to issues where we failed to convince the Government and issues where I hope there might be scope for further movement. The Government have rejected our call to move the transport commissioner who has responsibility for Wales, from Birmingham to Wales. I urge that, at least, further consideration is given in the weeks ahead to establishing an office in Wales, with staff, for the transport commissioner. But my main appeal to the Government at this stage is on the Select Committee's recommendation on provision for bus franchising along the lines that we have here in London. We believe that the Assembly should be empowered to take up that option if it so chooses.

From my observations in Swansea and south-west Wales, I have to say that the bus deregulation and privatisation measures introduced by the Conservative party in the early to mid-1980s were not an entirely beneficial experience, to say the least. It certainly did not take us forward to the better, more comprehensive bus networks that we needed. However, the Tories' completely free-market approach has been modified and the situation considerably improved with the Transport Act 2000 and the introduction of bus quality partnerships and quality contracts. The partnerships allow a deal between the local authority and the bus contractor whereby the operator invests in high-quality services, more environmentally friendly vehicles and staff training. In return, the local authority invests in traffic management schemes, bus priority lanes, bus stations and shelters, other facilities and timetable information. Moving still further away from deregulation, quality contracts provide for a licensing regime whereby operators bid for exclusive rights to run services on a route or group of routes on the basis that the local authority sets the service specification and performance targets.

The Select Committee's proposal was to introduce a further option to be available to the Assembly—franchising. That would allow for a fully regulated regime when appropriate. As with London, it would mean that all services were secured by a transport authority from private operators following competitive tendering. The authority would determine the level and structure of fares to be charged, the structure of bus routes and the frequency of operation. It would be responsible for providing and maintaining infrastructure, promoting customer information and developing technology to ensure that operators deliver safe, reliable and clean buses. That is an alternative model that we are increasingly likely to need as we recognise that competition between bus operators cannot always deliver the services that we require. In particular, that very competition can stand in the way of our dealing with the more pressing competition between continued growth in the use of the private motor car and the alternative of public transport.

The approach advocated by the Select Committee of giving the National Assembly the widest choice of transport tools possible to achieve its objectives, including bus franchising, fits in with our approach to the governance of Wales. If, as the Secretary of State indicated in yesterday's statement, we are looking to empower the National Assembly as far as possible in the legislation that we pass in this Parliament that affects Wales, the power to introduce bus franchising would send a very positive message, as well as being a sensible practical measure.

My belief in empowerment of the Assembly leads me to urge the Government to resist calls from admirable organisations such as Transport 2000 and the RSPB, who oppose the provision of subsidy for air transport and therefore want clause 11 to be removed. As we have heard, that clause empowers the Assembly to give financial assistance for air transport services or airport facilities in certain circumstances. I believe that we should stick with the clause as worded, although I do have sympathy with the arguments against subsidising aviation: that it tends to benefit the better off, that air transport is a high and rising contributor to greenhouse

[Mr. Martin Caton]

gas emissions and that any subsidy would be more cost-effective if directed to rail and buses. I hate to agree with the hon. Member for Leominster, especially in his absence, but those are genuine arguments. The counter-case—that using this power will bring real economic and social benefits—was strongly and effectively argued by my hon. Friend the Member for Ynys Môn and the hon. Member for Montgomeryshire (Lembit Öpik). For me, though, what is important is that that argument can take place on a case-by-case basis and where it should—in Wales and, ultimately, in the National Assembly. If we mean what we say about empowerment, we must provide the Assembly with the widest range of choices possible.

As I said, this is a good Bill, and when it becomes an Act it will benefit the people of Wales. I hope that before it finally hits the statute book it can be made even better.

2.15 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I welcome the Under-Secretary of State for Wales to his new role and wish him all the best in it.

With no disrespect to Members of this House and those of the National Assembly who put their efforts into debating and shaping the Transport Bill during the last Parliament, I believe that it is a modest piece of work that may do little to address the fundamental transport challenges facing the people of Wales and the Welsh economy. At the same time, it contains some proposals that require further thought.

I do not object to the notion of transport planning at Assembly level, but I am sceptical of the value of grand transport strategies on paper. Hon. Members can judge for themselves what difference the Deputy Prime Minister's much-heralded integrated transport strategy has really made to travel in the UK during the past seven years. Members will recall the Prime Minister declaring in his first annual report that the integrated transport strategy was "delivered". Delivering words on paper is all well and good, but what matters in terms of transport is funding, as well as tough, and correct, choices over competing infrastructure projects and the ability to manage those projects ruthlessly through to completion.

Giving the Assembly the ability to provide a stronger and more focused lead on transport in Wales is not objectionable in itself, but I have three areas of concern. Let me start with what I believe to be an imbalance in the Bill—the heavy focus on public sector passenger transport needs. Any successful Wales transport strategy must have the needs of the Welsh business community at its heart. The efficient movement of goods, services and people is vital to a thriving economy and, to that end, business requires reliable, affordable and safe modes of transport for staff and customers, as well as swift access to markets for freight. Based on my observations of the Assembly Government in action and the specific measures contained in the Bill, I am sceptical about whether the strategy will deliver what business wants. Certainly in my constituency, there is a fairly widespread view within the local business community that the Assembly does not always have the needs of business—especially small firms—on its radar. That view is supported by the Federation of Small Businesses in Wales, which fears that the voice of the small business sector is being lost among the voices of public sector bodies in the discussion about Welsh transport needs. That must not be allowed to happen.

The Bill is heavily focused on local authority and public transport considerations. For instance, clause 2 places on the Assembly a clear duty to consult every local authority in Wales and any English councils adjacent to the Principality in drafting the transport strategy. Clause 5(c) permits it then to consult anyone else it thinks relevant. Why does the Minister not think that there should also be a requirement for the Assembly to consult business? Why should not the private sector be seen as an equal stakeholder alongside the public sector in the drafting of a transport strategy? Given the importance of transport to the economy, dialogue with business over the specific contents of the strategy should not be optional. There are precedents for a statutory duty to consult business. Aside from the section 115 requirement in the Government of Wales Act 1998, which I understand would not cover the transport strategy, the Greater London Authority Act 1999 contains a specific clause requiring the Mayor and the Greater London authority to consult

"those bodies representing persons carrying on business in London".

Would it not be appropriate, therefore, for the Bill to contain a similar provision? I look forward to the Minister's comments on that point.

The second area of concern relates to clause 5 and the proposal to create joint transport authorities. At a time when the Welsh Assembly Government are trying, too hard, to persuade the people of Wales that a bonfire of the quangos is under way, along comes a Bill giving the Assembly powers to create yet another cluster of unelected bodies funded by a levy on the taxpayer. The Minister may make the point that those will be lean and efficient bodies, but the costings provided in the explanatory notes are weak. I do not argue with the need for local councils to work closely together to deliver integrated transport networks that match travel patterns rather than merely matching local authority boundaries, but could that objective not be met through other means? For example, my local authority, Pembrokeshire, already participates in the south-west Wales integrated transport consortium—or SWWITCH—which comprises four authorities working closely together and developing a regional strategic transport framework. Should not that framework form the basis on which each constituent authority can develop its own local solutions tailored to its specific needs? The regional strategy for the SWWITCH area is quite capable of providing the basis for implementing the Wales transport strategy in Pembrokeshire and the three other local authority areas.

There is also a danger that the joint transport authorities could undermine local authorities' attempts to deliver integrated transport by separating decisions on transport and access from those made by the local authority on land use planning, economic development, social services, education and leisure. I would welcome the Minister's thoughts on whether there is a potential disconnection in that respect.

My third concern relates to the provisions in the Bill permitting the Assembly to subsidise air transport services and facilities, which have been discussed at length this afternoon. I want to add my voice to those in

support of expanded air capacity in Wales. Over the past 20 years, air traffic in the UK has trebled and for the next 20 or 30 years it is forecast to grow by 4 to 5 per cent. each year. That will benefit the major international airports in London, Manchester and the big cities, but the outlook for smaller regional airports is also positive. There is no reason why Wales cannot also benefit.

I listened to the arguments made by the hon. Member for Ynys Môn (Albert Owen), which were not without merit. I would have been happier had he supplemented his more visionary arguments with some hard data and statistics about the viability of an intra-Wales air transport network. New routes and services within and from Wales must only be carried forward on the basis of sound commercial principles. The key to successful local airports is the ability to identify and exploit specialised niche markets. That is a risky business and one better left to entrepreneurs, rather than to the taxpayer operating through politicians. The history of state aid to air services throughout the world is littered with examples of subsidies being driven by politicians' vanity, misplaced nationalism and economic irrationalism. For those reasons, I am wary of giving the Assembly powers to subsidise air services.

Lembit Öpik: In that case, would the hon. Gentleman oppose any Government money going towards the improvement of services at Haverfordwest airport?

Mr. Crabb: No, I am not saying that, but I am wary of subsidies being used. I think that they should be used only as seed funding to get a service up and running, after which the taxpayer can withdraw from the relationship, not as a long-term funding mechanism.

Lembit Öpik: That was a helpful clarification. As I understand it, the hon. Gentleman would be concerned if the funding were an open-ended, ongoing commitment, rather than pump-priming funding that could lead to a viable operation or a one-off investment in infrastructure at the airport.

Mr. Crabb: That is exactly my view, and the hon. Gentleman expresses it better than I did.

Albert Owen: The hon. Gentleman says that he is not against subsidies in principle, but he is worried about ongoing funding. Does he not understand that in areas such as his and mine, that funding would give the Assembly the ability to draw down European structural funds, under objective 1, which would assist the economic wellbeing of the areas in a wider context? That is difficult to quantify, which is why I did not include facts and figures in my argument. It is impossible to quantify the economic benefits to businesses in the area, about which the hon. Gentleman expressed concern.

Mr. Crabb: It is not impossible to quantify the benefit. We know that £2.5 million of taxpayers' money has already been used in Scotland to support lifeline air services. Research can be carried out into the effectiveness of those and the impact on tourism and local economic development. It would be possible to produce greater evidence to support the arguments that you are making. In the absence of such evidence, I am slightly wary of and somewhat sceptical about subsidies for air services that would be used by a narrow range of people who, as the hon. Member for Montgomeryshire said, would probably be from rather higher income groups than most of the people in your constituency and mine.

Mr. Deputy Speaker: Order. I gently remind the hon. Gentleman that he must use the correct parliamentary language when addressing other Members.

Mr. Crabb: I apologise, Mr. Deputy Speaker.

I am puzzled by how clause 11(2) will work in practice. Perhaps the Minister could outline how the Assembly will test whether a service would not be provided without its financial assistance. Given the existence of a pot of subsidy, would it not be rational for any company tendering for a service to demonstrate that there is a shortfall in its business plan?

Lembit Öpik: I just wanted to explain why I focused so much on air transport. It is because this is the enabling Bill that will finally secure an air network in Wales. I am grateful to the hon. Gentleman and the House for their forbearance. The hon. Gentleman mentioned the kind of passenger who would use such services. Yes, they would be small in number and probably fairly wealthy. However, for such a service to be viable, only 15 or 20 people a day would need to go from north to south. In any case, the funding would be an enabling investment for the economy, as the hon. Member for Ynys Môn (Albert Owen) suggests.

Mr. Crabb: I recognise those arguments, but it would be helpful to see further research on the matter. If companies were thinking seriously about providing such services, one would expect that they would carry out their own market research and develop the numbers.

I am also surprised by the wording of clause 11(3), given the heavily constrained regulatory environment in which air transport subsidies can be made. The Bill states that the Assembly "may" attach conditions to financial assistance. Surely it is the case that the Assembly must attach some pretty stringent conditions if their subsidies are to comply with EC regulation 2408/92. I should be grateful if the Minister would take a moment in his winding-up speech to explain the procedure for ensuring compliance and what role the Secretary of State for Transport will play. Will the Secretary of State merely rubber stamp a public service obligation on any route requested by the Assembly Minister?

I hope that the Bill can be improved as it moves through the House. It may be a modest piece of legislation, but that is not to say that it does not merit further deliberation and, perhaps, amendment.

2.28 pm

Ian Lucas (Wrexham) (Lab): I am very pleased to follow the hon. Member for Preseli Pembrokeshire (Mr. Crabb). This is the first time that I have participated in a debate in this House with him, and he had some interesting things to say. If I may, I will bring this debate back down to earth by focusing on land transport in Wales, particularly in north-east Wales, part of which I am honoured to represent.

[Ian Lucas]

When the Assembly develops transport policy in Wales, it needs to take into consideration certain circumstances that are particularly relevant to north-east Wales. That area is very strong economically under this Labour Government; indeed, my constituency now has an unemployment rate of less than 2 per cent. and a vibrant local economy. North-east Wales also has a peculiarly strong reliance on car transport, which is not a record to be proud of. My hon. Friends—my good friends—the Members for Alyn and Deeside (Mark Tami) and for Delyn (Mr. Hanson) have the honour to represent the local authority with the highest rate of car usage for travel to work of any county not just in Wales, but in the United Kingdom. Wrexham has the 22nd highest rate of such usage, so north-east Wales relies intensely on car transport.

It is increasingly evident that poor transport links are becoming not just an environmental problem, but an economic one that is preventing the local economy from becoming even stronger than its current state. When the Assembly considers how to develop its transport strategy, I want it to focus on the importance in a modern economy of public transport, its development and access to it. There are some excellent manufacturing industries and strong local employers in our area, but people who want to work for them find it very difficult to get to work. Because 24-hour shifts are in operation, they find it extremely hard to get to work other than by car.

Real progress has been made, however, in north-east Wales. Thanks to a public sector option, the Deeside shuttle, which serves the Deeside industrial estate, now transports people to work there. I am pleased to say that that model has been followed in Wrexham; the large Wrexham industrial estate now has a similar service. In trying to develop that service, I discovered that a vast number of organisations on the ground needed to be consulted, such as local authorities and other regional bodies. In Wrexham, the business community was also heavily consulted. We have an excellent business forum, which was at the forefront in developing the Wrexham shuttle. I agree with the hon. Member for Preseli Pembrokeshire that it is important that business be consulted, and I am sure that, even under the terms of this legislation, that will happen. Business often coughs up and funds such projects, and this Government are amenable to funding from various sources for public transport projects.

North-east Wales still needs to turn away from private transport in a much more profound way. Discounting the London line, we have two local rail services: the Wrexham to Bidston line, to which I shall return, and the Chester to Shrewsbury line. Both services travel the border, and both are not as regular as we would like. Progress has been made, however. Later this year, the Chester to Shrewsbury service will become an hourly service, and the Wrexham to Bidston service already is hourly. However, it is very important that the new transport bodies develop local rail policy in a much more imaginative way than has been the case in recent years.

I am going to part company with the hon. Member for Preseli Pembrokeshire on the issue of joint transport authorities. I have worked hard on the Wrexham to Bidston line project in particular. I have been trying to bring about the electrification of that line, which would reduce the journey time between Wrexham and Liverpool by about half an hour. A direct service would give people in Gwersyllt, Hope and other places along the line much easier public transport access to Wrexham, the largest urban centre in north Wales. They would also be able to access employment more easily than is the case at present.

I have received a lot of help in my work, and the north Wales transport grouping Taith has provided a great deal of support. The consultation process reports in July, and we hope that the project will be taken forward as soon as possible. However, from time to time I have had the feeling that I have been wading through mud as I have consulted with different bodies about the project. There is a strong case for establishing stronger regional authorities in Wales to deal with strategic projects such as the one to which I have referred. By themselves, local authorities are too small to handle important strategic issues such as the railways.

Mr. David Jones: The hon. Gentleman is making an important point, but does it not support the concern expressed earlier by my hon. Friend the Member for Leominster (Bill Wiggin)? He said that there was a need for much greater clarity about the cross-border arrangements contained in the Bill. In due course, those arrangements will affect the working of the joint transport authorities.

Ian Lucas: I do not know that what I said supports the point made by the hon. Member for Leominster (Bill Wiggin), but I agree that cross-border issues are extremely important. Earlier, I mentioned the Wrexham to Bidston line, but Wrexham is also served by the very important Chester to Shrewsbury line, which I believe should be developed to link Wrexham with the Chester business park, for example. Although that site is on the other side of the border, many of my constituents work there.

Under the present arrangements, it is very difficult to take that development forward. English authorities looking west are not as interested as they should be in providing services in Wales to transport people from Wales to England. Sometimes, I also feel that Wales, looking east, does not work as hard as it should to liaise with authorities in England about service access. The problem is a difficult one, but I think that the best way to deal with it is to adopt a strategic approach through the joint transport authorities.

I am very pleased with the public investment that the National Assembly is putting into public transport in Wales. I noted with great interest the opening of the Vale of Glamorgan line in south Wales, in which £17 million of public money was invested. It is tremendous to have a Government investing in public transport and the railways in that way, and I shall keep close to my heart my press cutting about the Vale of Glamorgan line when the Wrexham to Bidston line project is taken forward. I hope to have some very positive discussions in the future with my very good and hon. Friend the Under-Secretary of State, and with the National Assembly.

We need to approach public transport in north-east Wales in a very different way in the future. Our attitude has been very unambitious, and my generation has

fallen foul of what used to be called the great car economy. I was brought up in Tyne and Wear in the north-east of England, in a family where no one had a car. Between 1977 and 1979, however, I used to travel to school on a fully integrated public transport network, in which tickets could be transferred between buses and the Tyne and Wear Metro.

In contrast, however, Arriva now runs both the bus and train services in the Wrexham area. I regret to say that I have been unable to persuade that company to arrange for buses to stop at the local rail station. That shows that we have gone backwards rather than forwards as regards delivery of public transport over the past 25 years.

The Bill offers a real opportunity to adopt a much more strategic approach to public transport, and to persuade people that public transport is an option that they need to take in the future, for both economic and environmental reasons. We need to make public transport responsive to the needs of local industry and to make it a much more attractive option. I believe that the Bill will take us towards that goal, but we need to change profoundly the thinking on and approach to public transport in order to achieve that worthy goal for the future.

2.40 pm

Peter Law (Blaenau Gwent) (Ind): I am very grateful to you, Madam Deputy Speaker, for calling me to make my maiden speech this afternoon. I apologise for the fact that I arrived somewhat late because of a hospital appointment and a train delay.

It is a great honour for me to speak in this Chamber as the Member for Blaenau Gwent, and to be able to say that I am here as an independent Member but also as a socialist. I place on the record my sincere thanks to the Speaker for the warmth of the welcome that he gave me on the day that I first came to this Chamber, and to my hon. Friend the Member for Wyre Forest (Dr. Taylor), who has been so encouraging and supportive to me since I came here.

For me to come here is a great honour indeed—to represent the people of a great constituency like Blaenau Gwent, a constituency where we still have the great socialist and trade union values, values that some people in new Labour do not understand these days but I am very proud to represent. We believe in our fellow human beings, we believe in a sense of community and we have a warmth that extends to all about us. I will be pleased to represent those values here on behalf of my constituents while I am a Member of the House.

So, being the Member for Blaenau Gwent, one has to ask, why and how could the safest Labour seat in Wales, with a 19,500 majority, disappear overnight to become an independent socialist seat with a 9,200 majority? That is a question that many people in new Labour should answer, because it is a question that many people have asked in my constituency. The explanation for that, of course, was the way in which new Labour decided to select a parliamentary candidate in Blaenau Gwent.

It was unfortunate, to say the least, that good people who had done nothing but support successive Labour Governments for decade after decade were compromised and had their integrity stripped from them by the party. It was very sad to see what was happening. Despite the representations that were made time and again to new Labour, we were ignored, and despite the fact that people stood up and wrote letters, asked for meetings and sent petitions—not just in the Labour party but in the community in general—nobody listened. That, I thought, was a very sad reflection, because people in this great constituency, who had always been there for Labour, were forgotten—treated with indifference—and when we asked for help there was nobody there to deal with us.

It was never about women or men; it was about the right of choice. It was about the right of democracy, which is very precious to us all, because our integrity in Blaenau Gwent is as valuable to us as it is to anyone else throughout the realm, and that was the message that came from Blaenau Gwent on 5 May. It was so unfortunate that we came to that situation because nobody was prepared to listen on the new Labour party side.

But we went forward and decided that we were not prepared to be taken for granted because no one has the right to manipulate 60,000 electors, no one has the right to tell us what to do, and no one has the right to use us for a social experiment, which is what was being done in Blaenau Gwent. I was reminded at the time of that great quotation:

"The great are only great 'cause we're down on our knees

Rise up"—

and we did rise up in Blaenau Gwent, and that was the result on 5 May.

So today I stand here very humbly, and I am sorry that the right hon. Member for Neath (Mr. Hain) is not in the Chamber, because he needs to reflect very seriously on the Blaenau Gwent result, and the 20 people who, disgracefully, have actually been expelled from the Labour party since that time because they stood up for the integrity of their own kith and kin—they stood up for the people of Blaenau Gwent and will always be respected and remembered by the people. I find it strange that people in new Labour, instead of thinking carefully about that, have gone on to add insult to injury, to make sure that they cause more damage in my constituency.

I am pleased to represent a very historic constituency. We go back a long way, steeped in great political tradition. My predecessor is Aneurin Bevan, the man who actually designed the health service. We are very proud of that. The design for the health service was based on the Tredegar Medical Aid Society, which was in a little town in my constituency, and of which he was a member. He was a great socialist and a great statesman. He took that blueprint and designed the NHS, his legacy for the whole of Britain and the envy of the world. It still works well; indeed, I am benefiting from it at present. The name of Aneurin Bevan is held in great respect. We are grateful for his work for the good of all the people of Britain. He is the greatest son of Blaenau Gwent.

Aneurin Bevan was followed by another statesman—his biographer, Michael Foot, another great socialist, greatly respected and highly revered in our constituency. More recently, my immediate predecessor was Llew Smith, a good socialist and a man with values who cared for the people of Blaenau Gwent. On behalf of the people of Blaenau Gwent, I am pleased to express our

[Peter Law]

great thanks and appreciation to Llew Smith for all that he did during the 12 years that he was our Member of Parliament through his work in the constituency and in this honourable House to improve the quality of life for his constituents. He is my good friend and comrade, and a man I greatly respect. He will always have a very special place of affection in the constituency of Blaenau Gwent, and I am delighted to wish him and his wife Pam every happiness and health in their retirement.

I want to refer to the make-up of my constituency and its background. Obviously it is a working-class area and an industrial constituency—mining and steel. Sadly, the mines disappeared in the 1980s, due to Conservative Governments, who smashed up part of our community, as many people, particularly in south Wales, will remember; but they did not smash our community spirit, which still exists. The warmth of that spirit can be found throughout my constituency.

The other part of the industrial equation was steel. For 200 years, the Ebbw Vale steelworks was well known. It was in a valley 30 miles from the coastal area and was so important to the community that the town was built around it. It was a tragic day for us when on 5 July 2002 the Corus steel company—executioners and axe men, as I described them—closed that steelworks in our constituency. It had a devastating effect on us. The last 500 jobs—quality jobs—at the steelworks were taken away and immediately the community plummeted into another era of handouts and soup kitchens. Five hundred families lost their quality of life with the loss of those jobs and the local economy was devastated beyond belief. That was only three years ago. It has been a long haul and our local economy has still not recovered; the effect on the towns in my constituency has been devastating.

It was difficult for us to deal with that situation. Those great steelworkers at Ebbw Vale had only ever been guilty of productivity, quality and loyalty—characteristics that had been stamped across the world during the years that the steelworks was in being. So, we lost our steelmaking industry.

It is a sad reflection that, despite the fact that the Corus cuts were known about nationally, no Minister came to Ebbw Vale to see us—not one. I wrote to the Prime Minister at the time to ask him to come to Blaenau Gwent to see us to boost our morale and to say that the Government were concerned about us. Nobody came, and perhaps that is another reason why I am standing here today as the independent Member for Blaenau Gwent.

We have tried to find new industries for the future, but those industries have been very slow in coming along. They have not brought the quality jobs that we need, and I mean the quality jobs that everyone should be able to look forward to. From quality jobs cascades down a quality of life for everybody. Although I believe that the national minimum wage is a wonderful social development and that other measures have been very helpful, we must have decent jobs in the valley communities such as the one that I represent in Blaenau Gwent to provide that quality of life and to let people know that they have a place to take advantage of in the way that other people have always been able to.

How we deal with that issue in the future is important. Regional aid is active in Blaenau Gwent and it is very useful, but it does not provide enough new jobs and opportunity for the people. I hope that, in my work as a Member of the House, I can pursue the need for the direction of industry to places such as Blaenau Gwent. There is a need for the direction of industry if an area does not have the employment and quality of life that other people take for granted. Everyone is entitled to be able to expect a place in the sun, if that is what we believe in.

If a constituency does not have the industry and quality jobs that we need, large areas of it will be what people refer to today as "socially excluded" and "deprived". "Social exclusion" and "deprivation" are modern-day terms and euphemisms for what hides beneath them—it is called "poverty". I am sure that poverty is totally unacceptable to any Member of the House, but there is a lot in my constituency and I believe that more must be done to combat it.

For what are we about here if we are not able to reach out to lift these good people out of the poverty that they are captured and contained in and if we are not able to focus the Government on the need for strategies that will do something positive to fight poverty and to give people the opportunity to have a future and a quality of life that is not there and escaping at present? In my work in the House, I hope to join other Members in focusing on such initiatives and persuading the Government to take more action to deal with the domestic poverty problem that exists, I am sure, not just in Blaenau Gwent but in many other parts of Britain.

In the 10 weeks since I had a personal health crisis, I have been very grateful to my constituents in Blaenau Gwent for all the wonderful support, messages, prayers and blessings that they have sent me. I cannot thank them enough. That has made a great difference to me in the time that I have not been well. I have also had the great service and support of the national health service, and I was pleased to be able to refer earlier to Aneurin Bevan's creation. It has made such a difference to me and to making sure that, since 5 May, I have been able to pursue my role on behalf of my constituents in the House, in the other place that I work and in my constituency. I am grateful to my constituents in Blaenau Gwent for that wonderful support and their care and concern. I particularly express my thanks to them, and I am greatly humbled to be here as their Member in this honourable House.

I conclude by saying that I am delighted to have been called to speak in the debate on the Second Reading of the Wales (Transport) Bill. It is a very good Bill that is in the interests of the people of Wales and those who travel to and from Wales. Once again, it offers to give further devolved powers to the National Assembly for Wales in the interests of our people. The measure is positive and follows on well from the Secretary of State's White Paper announcement yesterday, which I warmly welcome because it is in the interest of the people of Wales to devolve further powers. I have a lot of hope for the White Paper.

The people of Blaenau Gwent will be of the utmost concern to me throughout my work in the House and I will pursue their needs and interests at every opportunity. I know that I come here with their great expectations, hopes and beliefs in me, so I say today, as

the proud standard bearer for the great constituency of Blaenau Gwent, that I will not fail them. I will be here to work for them and will be totally committed to fighting to ensure that today's and subsequent generations in my constituency have the opportunities that we have perhaps never seen, although other people have taken them for granted. I hope that that will eventually lead to we in Blaenau Gwent having the opportunity to see the place in the sun that we all want. I give that commitment today to the people whom I represent and I am proud to be here as their Member of Parliament.

2.55 pm

Mr. Martyn Jones (Clwyd, South) (Lab): It is customary in this place to make warm comments about hon. Members maiden speeches. I have no difficulty in admiring the delivery and aplomb of the hon. Member for Blaenau Gwent (Peter Law) and the confidence with which he made his speech. I met him when he was a capable Labour Minister in the Assembly and I wish him well in representing his constituents of Blaenau Gwent. I am sure that he will do a good job.

I would like to draw the House's attention to the background to the Bill and the unique way in which we have arrived at this point. As hon. Members have said, the Bill first appeared in draft form. I am proud that the Welsh Affairs Committee undertook joint pre-legislative scrutiny of the draft Bill in partnership with the Economic Development and Transport Committee of the Assembly. It was the first time that a Committee of the House had met a Committee of a devolved institution to undertake such joint scrutiny. I was pleased that the arrangement followed a previous recommendation of the Welsh Affairs Committee, which proposed joint working with the Assembly in its report entitled "The Primary Legislative Process as it affects Wales".

During the consultation on the draft Bill, the Welsh Affairs Committee and the Economic Development and Transport Committee met formally on five occasions and took evidence from 30 witnesses representing 14 different organisations. One of the main benefits of such formal joint working is that it enables Committees of the House and the Assembly to mirror the joint working that takes place between the UK Government and the Welsh Assembly Government when preparing draft Bills. It also allows for the wide scrutiny of a draft Bill from the perspective of both Westminster and Cardiff and, more importantly, avoids the unnecessary duplication of evidence gathered by Committees of the House and Assembly, which was experienced during the scrutiny of previous draft Bills.

I shall mention the substance of the Bill only briefly because my hon. Friends the Members for Ynys Môn (Albert Owen) and for Gower (Mr. Caton) will have covered the detail of the Select Committee report well. The Bill will enhance the powers of the National Assembly for Wales on transport to enable it to deliver an integrated transport policy for Wales. I am pleased that the Government have taken on board many of the recommendations made by the Welsh Affairs Committee in its report entitled "Transport in Wales", which was published in 2003. As both the Committee and the Government recognise, there are significant economic, social and environmental benefits to be gained from encouraging the development of an integrated transport network. Far from being just a slogan, I am sure that integrated transport in Wales will make real progress as a result of the Bill.

2.58 pm

Hywel Williams (Caernarfon) (PC): May I first refer to the speech made by the hon. Member for Blaenau Gwent (Peter Law)—or my hon. Friend, as I hope to say? I am pleased that he is on the awkward Bench and hope to see him here in future. I have a great deal of respect for not only him, but his predecessor, Llew Smith. Some hon. Members might be surprised to hear me say that given that my party and he disagreed so publicly on matters relating to the Welsh language and Welsh nationalism, but I always agreed with him profoundly on the matters that were important to him, such as the right to peace. We certainly agreed on the nuclear issue and I was pleased that we were as one on the virtues of democracy and socialism.

In reference to my hon. Friend's fine speech, perhaps I can mention my experience as a young political activist in the Rhymni valley in the '70s. I attended several meetings in Ebbw Vale. I was working at the top of the Rhymni valley with people in Abertysswg, Beaufort, Rhymni itself and Pontlottyn, so I know the area well. I went to Ebbw Vale to attend the tragic meetings held at the time and remember a fine speech from Michael Foot, who was in the difficult position of defending development in the steel works. As my hon. Friend said, we are still seeing the effects of decisions taken at that time working out into the community that he has the honour to represent. I am sure that he will do a good job.

I hope that the Bill will address the historical difficulty that we have experienced in Wales as a result of the lack of an integrated transport policy and system. Plaid Cymru has long advocated what we call the figure of eight, which is a transport system that integrates the south-east and south-west of Wales with the north-east and north-west of Wales and puts a great emphasis on the public element of transport. I was glad to hear the hon. Member for Wrexham (Ian Lucas) stress that and agree with him entirely in that respect.

Hopefully, the Bill will be an opportunity to co-ordinate and extend all forms of public transport. However, as much as it empowers the National Assembly for Wales, car use continues to be important in rural areas such as mine. I wish it were otherwise, but that is the case. Car use is essential in rural areas and has to be integrated. It is, of course, extremely expensive. It is significant—I have said this before—that the level of car ownership often coincides with areas of low income. The Welsh index of multiple deprivation, for example, shows that the highest level of car ownership is in Powys, which also has the lowest wages. Clearly, there is a complicated relationship that needs to be taken into account in any transport planning. I hope that car use will be better integrated with public transport as a result of the Bill.

I note in passing, on a personal note, that I want better and safer parking facilities in stations to encourage the use of public transport. I use Bangor station, where there are great possibilities for extending the use of land for parking and other facilities associated with a station, but it has been many years since that idea was first mooted and we are still waiting.

[Hywel Williams]

The hon. Member for Ynys Môn (Albert Owen) mentioned the use of bridges across Afon Menai. In August, we have the National Eisteddfod in Y Faenol, which is almost entirely adjacent to the bridges. We fear that there will be huge transport problems. I encourage the Minister to do everything he can to ameliorate those. Members of the National Assembly and this place have pressed the Government to do something about that. It needs to be done, otherwise we will have traffic jams all the way to Chester.

We also need to develop existing train services. There is great scope for integrating them now that Arriva is in charge. However, last year I tried to buy a freedom of Wales pass—a useful ticket that allows four days travel out of eight at a reasonable rate. It enables me to use my favourite railway line, the Cambrian Coast line, which I have mentioned before. It is a wonderful line that goes through my constituency and others. It has many small halts and a number of stations, none of which has ticket selling facilities. The freedom of Wales pass can be bought at stations, but not on the Cambrian Coast line. Unfortunately, it cannot be bought on the train either. Despite the wonderful new ticketing machines that can provide a ticket from Pwllheli to London or wherever, one cannot buy a freedom of Wales pass, even though it is supported by the National Assembly for Wales with some money. The pass allows not only local people, but tourists, to enjoy the glorious Cambrian Coast line, the Mid-Wales line and many other lines.

My hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd) mentioned the problem with Virgin Trains and the reduction of the Saturday service, and the fact that trains that used to serve north-west Wales—they served Llandudno—have been transferred to serve south-west England and areas that are in direct competition with Llandudno.

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): The matter has been taken up and we are assured that the measure is purely temporary. It is in place while works take place at weekends on the west coast main line. Once those works are completed, the full service will be restored.

Hywel Williams: I thank the Minister for that reassurance. During the summer, we will still be down on the services. Perhaps more pertinently, when the Bill is enacted, if such changes affecting services that come into Wales from outside are made in future, will the Assembly have any way of influencing the decisions, or will it be tied down to decisions that affect services within Wales? He may care to answer that question today or in Committee, as it is extremely important. Main line services are used in Wales, even though they may start and end in London.

I have already referred to the use of cars. We have a road transport system that has historically not been of great advantage to Wales. In fact, problems with the road transport system have led to economic, social and political difficulties. It has been a historical bane of Wales that roads have travelled through Wales, rather than to Wales. Useful roads such as the A5, A48, A55 and M4 are engines for economic revival on a very local basis, which is welcome in those corridors, but they are essentially roads to meet the needs of others who are passing through.

On north-south travel, I again hope that the Bill will empower the Assembly to make improvements. I am amazed that there are still places in mid-Wales where only one vehicle can proceed at a time in travelling from north to south. Those places might be in very rural areas where the level of traffic is not particularly huge, but it is surprising to say the least that there are such places on the main north-south road. No one is looking for a 10-lane motorway, but there is a need for a decent straightish main road, dualled where possible for passing, perhaps enabling my constituents to travel to the capital of Wales as quickly as they can travel to the capital of Ireland. It is currently a good deal easier to get to Dublin than to Cardiff. We look forward to seeing the Assembly tackle the issue with vigour following the passage of the Bill.

We also look for opportunities from the Bill to improve freight rail use. The needs of businesses were mentioned, I think by the hon. Member for Clwyd, West (Mr. Jones) or one of his colleagues. The House will be interested to know that there has recently been a successful experiment in carrying timber by train from north-west Wales to Chirk. That innovation proves that freight transport by rail is no more costly than road transport, and it is better for the environment, too.

I hope to see such developments on not only the Cambrian Coast line, but the Conwy Valley line, where a possible development involves taking slate waste from Blaenau Ffestiniog for use in the building industry. However, we must ensure that the Conwy Valley line to Llandudno junction is improved to allow that development to continue. I hope that the Minister and his colleagues will make the case for improvement with me and my hon. Friend the Member for Meirionnydd Nant Conwy. Earlier this week, Labour Councillor Trevor Roberts of Bermo, my hon. Friend and I had a positive meeting with the Transport Minister with responsibility for that area, and if we all pull together on that important scheme, it will provide not only an engine for economic regeneration in Blaenau Ffestiniog, but improvements on the line to Llandudno Junction. In conclusion, the local transport plans are a positive step, and I am also pleased by the inclusion of cycling in the Bill.

In the last Session, the Government intended to introduce a school transport Bill, about which I had tremendous reservations, because it would have introduced the possibility of charging for travel to school in rural areas. I also understand that that provision might be included in the proposed education Bill, when it is published. It is clear that transport to school is part of the wider transport system, especially in rural areas where people use the school bus to get to work. We must examine the education Bill very carefully, and local transport plans will have to take such negative steps on school transport into account.

The Bill attempts to ensure consistency between local provision, the National Assembly's overall transport strategy and the regional co-ordination structure of JTAs. I welcome that provision and I am glad that the Government agree with the Welsh Affairs Committee that the majority of JTA members should be from local authorities. As a previous member of the Welsh Affairs

Committee, I am glad to see that our work has borne fruit. And I am equally glad that the Government have heeded the Committee's call to set up a public transport users committee, which will play a vital role in shaping the development of services.

We have already discussed support for other forms of public transport and I want the public transport system in Wales to be dynamic and developing. I know that "subsidy" is a dirty word for some hon. Members, but we should examine subsidising innovative forms of public transport. I look forward to the proposed super buses, which will transport people from north Wales to south Wales in extreme comfort, perhaps almost as quickly as by air transport. Many people, including tourists, use the long-running TrawsCambria service, which shows that demand exists for such provision.

Hon. Members have already referred to the telling points made by the Royal Society for the Protection of Birds about promoting sustainable development. As I have said, I also note that the Department for Transport will retain responsibility for aviation policy in Wales and that funding for air transport will not be transferred to the Welsh Assembly Government. I therefore hope that the Welsh Assembly Government apply for European moneys to develop the air service. I think that a service from north to south Wales would carry not a large number of passengers, but key passengers from the business sector and local authorities in my area and others in north Wales to Cardiff and back. That can only be good.

Overall, the Bill is a positive, if slightly limited, step forward and I look forward to further discussion in Committee.

3.15 pm

Mrs. Siân C. James (Swansea, East) (Lab): I am pleased to have the opportunity to speak in the debate on Second Reading of the Transport (Wales) Bill. I am confident that it will provide the people of Wales with a blueprint for further development of a sustainable, fully integrated modern transport system, fit for the 21st century, which will meet the needs of all our constituencies and communities, such as mine in Swansea, East.

I feel qualified to speak in the debate because my interest in Welsh transport matters was gained not only as someone who relied extensively, when a young mother, on public transport, but as a former employee of the rail industry. For several years, I worked for the rail operators in Wales as an Association of Train Operating Companies representative and on behalf of individual rail operators. During that time, I was also a member of the Wales transport forum and saw the introduction of innovative schemes such as the golden telephone line to provide travellers with an easy, bilingual, one-stop service for all rail, bus and ferry timetables.

I was also deeply involved in the negotiations for the single Welsh rail franchise, a plan that reduced the number of rail operators from a confusing seven to two. In that role, I undertook a great deal of cross-border work, working closely with colleagues in Shropshire, the west country, Liverpool, Manchester and even as far south-east as Sussex and the outer-London area.

The Bill provides for great opportunities. Its aims and objectives provide a clear and coherent way forward. We want transport provision that meets the requirements of local people and is part of a joined-up transport strategy, devised and managed in Wales. I know from my work in the past that that is what people want.

When I worked in the industry, I travelled back and forth across Wales, meeting user groups, rail and bus operators and working closely with some of the transport forums that some hon. Members have mentioned. They were clear that a joined-up approach, which embraced wider issues such as funding, road congestion and airport development, was needed. Time and again, I listened to their comments and discussed their communities with them, and I realised that people have a pretty good idea of what they need and how services tailored to meet local transport challenges can and will enable people to go about their daily lives more easily and effectively.

I am hugely optimistic about the Bill. In the past six years, Westminster and the Assembly have worked together to deliver our aspirations. Their constructive co-operation has identified many key aims and objectives and allowed information and analysis to be shared. Together, we have created a solid base of understanding and information sharing, which I believe will form the basis of future work and development in a Wales that is fully ready to take on responsibility for all transport-related matters.

Although I am interested in all aspects of transport in Wales, hon. Members probably realise that I am especially interested in rail services. Swansea is a rail city. It has played a major role in the development of rail services to south Wales and south-west Wales. It occupies a strategic place on the south Wales main line and the M4. It is also the terminus of an inter-city service from London Paddington. Many hon. Members rely heavily on that line, which provides a vital link for business travel, tourism and freight to and from south Wales.

I welcomed the introduction of new services to and from Paddington, but I now discover with alarm that there is a possibility of reducing those services to their original levels. The much publicised and welcomed additional First Great Western services could be cut. I know full well what those increased service patterns and improved half-hourly services at peak times mean not only to me but to my constituents on a business and tourism and leisure basis. Work, education and leisure opportunities will be severely affected. Swansea has prospered under successive Labour Governments. Further investment and development opportunities are vital if we wish to maintain that growth and provide even more opportunity for our citizens. If any cuts in service provision are allowed to go ahead, they could seriously affect future development. I am determined not to allow that to happen.

What is important here is the ability to have a service in Wales for Wales. The Bill not only proposes greater powers over rail and other modes of transport, but provides an opportunity for greater financial responsibility. If such cuts are not what we should be using our powers against, I do not know how we should be using them. Therefore, I shall be working strongly and closely with the Assembly and my local Assembly

[Mrs. Siân C. James]

Member, Val Lloyd, as well as my hon. Friend the Member for Gower (Mr. Caton), my right hon. Friend the Member for Swansea, West (Mr. Williams) and others in the Swansea area. Franchisees need to be more accountable on a Wales level and must justify any proposals for cuts or changes to service patterns that they make.

I also welcome the proposed establishment of a public transport users committee. Again, I have worked very closely with user groups and I saw what they could achieve. Many of my hon. Friends have talked today about their concerns over cross-border issues. I have worked with many passenger user groups and support groups within the Wales and borders area—organisations such as the South West Wales integrated transport consortium, Taith and the South East Wales Transport Alliance—and they are ready and willing to get involved. They are able and capable of growing and developing into the services that we all need.

I have learned at first hand how greater investment locally, the transfer of powers and proper financial provision can enable Wales to take plans to the next logical stage of development. I expect that several hon. Members might consider that this is not enough, but I can assure them that the work has been done and the plans are in place. I do not think that we will ever lose that ability to have a cross-border dialogue and to realise that, wherever services begin or end and whether they go through or stay within Wales, it is in all our interests to have a joined-up railway system.

Excellent channels of communication already exist and that needs to continue. I welcome the Bill, which truly reflects our commitment to the localisation of services and greater regional responsibility. This partnership approach will build on the existing work and utilise best practice, developed over several years of joint working. The services exist in many places; we now need to build on them. The Bill offers the people of Wales the tools to achieve a better, more integrated, funded and sustainable service, which is the key to improving our public transport services.

3.22 pm

David T.C. Davies (Monmouth) (Con): I confess to having something of a sense of déjà vu today, first because many of the issues that we have discussed are ones that I discussed in the Welsh Assembly Economic Development and Transport Committee and, secondly, because over many years I have enjoyed bouts of verbal sparring with the hon. Member for Blaenau Gwent (Peter Law), who is just leaving the Chamber. For a while, he was a Minister with responsibility for these issues in the Welsh Assembly, and I am delighted to see him here this afternoon.

I also welcome the hon. Gentleman's maiden speech. I disagree with some of the content, but no one could dispute the fact that it was given in the tradition of the best speeches that are made in the House. It came straight from the heart and was made without notes. He made some extremely good points. Most Opposition Members would very much agree that those who stand for Parliament should be selected on merit, not on the basis of their sex. Whatever our past political disagreements, I have no doubt about the hon. Gentleman's ability to represent his constituents.

There is no doubt either that Wales's transport system needs to be greatly improved as it suffers from many problems. The Bill draws attention to some of those and is a genuine attempt to address them, although I have reservations as to how effective the proposed solutions are likely to be.

An issue mentioned early in the Bill, but which has not yet been discussed is safety, an issue close to the hearts of many on both sides of the House. One thing that has particularly concerned me over the years is the difference in approach in Wales and in England to the designation of speed limits on trunk roads. Far too many deaths and serious injuries of pedestrians have occurred on trunk roads in Wales, yet it appears to take far too long to get the national speed limit reduced, even on trunk roads going directly through the heart of small towns and villages. In my experience, that is much less of a problem in England. Anecdotally, one of the most dangerous stretches of road in Wales is the A40449, which goes straight through Monmouth and borders a large school. Numerous accidents and deaths have occurred on it over the years, and sadly, one very serious accident occurred during the past few weeks. Despite many years of campaigning to reduce the speed limit on that stretch of road from 70 mph to 50 mph, conducted by members of all political parties and at all levels of government—in Parliament, by my predecessor, by me in the Assembly, by Liberal Democrat councillors, and although we do not have many Plaid Cymru members in government in Monmouthshire, I am sure that they would also agree with the policy—we have not been successful.

I want to pay another tribute, however, to my friend the hon. Member for Blaenau Gwent. A few years ago, I visited him in his capacity as a Welsh Minister, to request a reduction in the speed limit on a trunk road through the village of Llanover. At the time, he promised that that would be introduced, and he kept his word—he is a man of his word. He admitted to me afterwards, however, that it is much harder to reduce such trunk road speed limits in Wales than one would expect. It is not simply a matter of signing an order and erecting a new sign. That should not be the case, however, because as one comes out of Monmouthshire into Herefordshire or the Forest of Dean, it will be clear, on any trunk road that goes through a village, that the Department for Transport in England has taken proactive measures to reduce speed limits. Why that should not be so in Wales I do not know. I would appreciate an answer from the Minister as to whether the Bill is likely to allow the Assembly to make decisions on speed limits more quickly.

As the hon. Member for Swansea, East (Mrs. James) said, there is also a clear need to introduce an integrated transport policy. I would not disagree at all with that intention. I warn Members, however, that the Assembly has been talking up an integrated transport strategy for many years now—one of the first resolutions that it passed was that it would develop such a strategy. It was not clear at the time that anything prevented it from doing so. We all agree that transport hubs and modes must be in the same place as far as is possible. Where is the evidence, however, that this Bill will help? In Chepstow and Abergavenny, for example, passengers arriving at the bus station who want to continue their journey by train or vice versa are faced with an

impractically long walk to get from one station to the next. I do not see how the Bill will help to resolve that problem.

A similar but much larger-scale problem applies to transport integration at Cardiff airport. At long last, it now has a rail link. Even that rail link, however, is far from practical—it is a small-line link from Cardiff to Rhoose station, which is now renamed, rather grandly, Cardiff international station, as I understand it. Anyone travelling down from the valleys, from London or anywhere else would have to catch a train to Cardiff and then another train to Cardiff International airport at Rhoose, and would then have to get a minibus over to the airport. How many families with all their luggage, knowing that they must get to an airport at least an hour in advance to catch their planes, will choose that as a means of getting to the airport?

Lembit Öpik: I just muse that Cardiff international airport must be the only airport of its size that requires one to drive through two housing estates to reach it. I am sure that the hon. Gentleman agrees that that is an enormous waste of resource, as it takes as long to get from the airport into the town as to fly to the airport.

David T.C. Davies: Indeed. That brings me on to why has the Welsh Assembly not developed some sort of viable road link straight on to the M4, which is only a few miles away geographically? I understand, as I have seen loads of figures on the potential costs, that a realistic estimate for such a fast road link on to the M4 would be £37 million. That is a lot of money but not huge in the scheme of things when we consider what is likely to be spent on the M4 relief road going through Newport. Without a shadow of a doubt, however, such a scheme would add to the viability of that airport and even make possible the development of some of the services that the hon. Member for Montgomeryshire (Lembit Öpik) mentioned, without the need for various different subsidies.

That brings me to another problem that could worsen as a result of the Bill. I have noticed a tendency over the last few years for the Assembly Administration to deal with complaints about transport by suggesting impractical and expensive headline-grabbing solutions to meet a need that does not really exist, rather than spending the money at a local level where it could make a difference. We need to ensure that the Bill does not make that even worse by giving the Assembly too many powers to subsidise such grandiose schemes.

A couple of years ago, I well remember that the Assembly wanted to use £20 million of public money to build a futuristic monorail system, which would have transported people in driverless pods 15 ft above the ground at Cardiff bay from the Welsh Assembly building to Cardiff city hall, which is only a few hundred yards further up the road. If that pipedream ever goes ahead—I understand from an answer to a written question a few months ago that there is still a possibility that it could—it could end up being the most expensive funfair ride this side of Walt Disney in Paris.

The same mentality seems to be behind the idea to subsidise an air link between north and south Wales. We must remember that in January 2004, Air Wales actually axed a service between Liverpool and Cardiff. In October, it axed a service between Cardiff and London—not even 18 months after the service was first introduced. It is all very well giving the Welsh Assembly the powers to subsidise air routes that would otherwise not be available in and around Wales, but we should perhaps ask ourselves why those services would not otherwise be viable. The simple answer is that, although they might suit some Assembly Members and the growing army of civil servants, they would be effectively useless for the vast majority of Welsh travellers.

The link will fail because there has never really been the same demand in Wales to travel between north and south as there has been between east and west. The hon. Member for Montgomeryshire spoke earlier about the history of Wales from the ice age, emphasising the difficulties of getting from north to south, but ever since Edward I took an interest in Wales, travel has been mainly from east to west. People in north Wales look towards Liverpool, just as those in Cardiff and Newport, where I come from, look towards Bristol and London. The M4 and the A55 were built to meet a demand that already existed, and the Assembly will not improve transport links by trying to service a demand that simply is not there.

Albert Owen: The hon. Gentleman says that there is no demand for transport between north and south, but I tried to explain earlier—though I did not have the figures at my fingertips—that about 150 people per day travel from north-west Wales to Cardiff on business by car. Surely that provides an initial demand that would stimulate developments. As well as people from the health service, members of the business community have to spend a great deal of time travelling by road or rail to Cardiff. The hon. Gentleman should not dismiss such people and should not make up stories about everyone going to Liverpool.

David T.C. Davies: I was not suggesting that everyone goes to Liverpool, and I am not necessarily disputing the hon. Gentleman's figures, though it was interesting to hear him mention people in the health service, which is the public sector. To put that into context, we need to reflect not just on how many people travel from north to south—of course, we know that people do that all the time—but on how many travel from east to west every day. Only when those figures are properly established can we take a decision about whether there is a genuine demand for new transport services.

Lembit Öpik: That is exactly why no one is recommending building a motorway from north to south Wales and exactly why a small-scale airline operation would be appropriate for business people and, indeed, the civil servants and others who need to make the journey. The hon. Gentleman keeps on making pariahs out of public servants who need to travel from north to south, but why should they not be allowed to travel quickly? We are not asking for an A380 Airbus, which the hon. Member for Alyn and Deeside (Mark Tami) mentioned, but only for a little aircraft to meet a need. Why are the Conservatives so against having an effective, cheap and fairly environmentally friendly small-scale air service in Wales?

David T.C. Davies: We are not. We are all in favour of having such a service, but we are not in favour of using

[David T.C. Davies]

National Assembly money to subsidise it. If the demand were there, and if 150 people grew to 200, 300 or whatever, we could have a Boeing 747 taking them from north to south Wales every day. Good luck to whoever sets it up. Perhaps the hon. Member for Montgomeryshire could fly the planes, and Labour Members could put their money into buying shares. I do not know, but, after six years in the Welsh Assembly, I do know this. We receive a limited amount of money each year from Westminster, which must fund the health service, education and local authorities, all of which are having to raise their council taxes because not enough money is going in. Admittedly, some of the money is wasted on white elephants such as the new Welsh Assembly building, which was supported by the hon. Member for Montgomeryshire and his party. I agree that had some of that money been spent on a north-south air link, it would probably have been better spent. The fact is, however, that there is only a limited amount in the pot. We have no problem with the north-south Wales air link; our problem lies with the use of public money to subsidise it.

Let me return from those grandiose visions to what is important to most people: the Assembly's ability to deal with transport matters. I must say that its record has not been terribly good. People in my constituency are disappointed that the Assembly has thus far failed to sort out a wrangle between ELWa—Education and Learning Wales— and certain local authorities such as Monmouthshire over the funding of post-16 pupils' school transport. As many Members will know, Monmouthshire county council received less per head than any other authority in Wales, which has forced it to make difficult decisions. One of those decisions concerns the funding of transport for post-16 pupils doing A-levels. The council has been forced to ask ELWa to fulfil its own obligations to fund post-16 education, and to pay for the school transport that is so necessary in a rural area. ELWa has so far refused to become involved, and the Welsh Assembly is not prepared to give a lead. As a result, pupils are being forced off the buses. If we pass the Bill, we should also ask the Minister to use whatever influence he has to persuade the Welsh Assembly to resolve the matter.

Let me end on a positive note. I have always opposed the idea of a Welsh Assembly. It is no irony that I was a Member of the Assembly, as most of my constituents were against the idea as well. I also believe that having been voted for—albeit by a tiny minority—the Assembly should be made to work as well as it can on behalf of everyone. Although I do not favour giving it any extra legislative powers, I think we should allow it make the best possible use of the powers that it has. Otherwise all of us in Wales, whether for or against the Assembly, will lose out.

I see in the Bill opportunities to allow the Assembly to make better use of its existing powers over transport issues. It must do so soon, because public transport throughout Wales is frankly abysmal. Not all of that is a result of Government policies—some of it is owing to geographical and demographic factors—but we should pay most attention to those living in rural areas who depend on public transport to get around and to travel to their jobs. They currently have no access to public transport, because the trains are not there and bus services are so poor. They are forced to rely on their cars, although in some parts of Wales senior council officials have said that the roads are so badly maintained that some are in danger of reverting to cart tracks. That phrase was used by highways officer in one of the Welsh local authorities recently.

Those people's needs are not being met, because the transport system in Wales is failing at a basic level. Much more needs to be done. I do not believe that all the answers lie in the Bill, but I am prepared to view it with an open mind. Anything that will improve transport in Wales is a good thing. I recall the Deputy Prime Minister promising us an integrated transport policy for the whole United Kingdom, and I recall the Welsh Assembly saying something similar six years ago. There has been very little action so far, and I look to the Minister to reassure us that there will be action in the future.

3.39 pm

Mr. David Jones (Clwyd, West) (Con): I too pay tribute to the hon. Member for Blaenau Gwent (Peter Law) on his excellent maiden speech. He and I are old colleagues and friends from the National Assembly, and I know that although there is a certain amount of political distance between us, he will be an excellent constituency Member.

Clearly, one must applaud the aims of the Bill. After all, an integrated transport system is the holy grail that has eluded politicians over the generations, so I suppose that now is the time for Wales to pursue it. However, I must express concern as to what will be the counter-productive effects of the Bill in terms of local government. Since it was established, the National Assembly has shown itself to be an increasingly acquisitive, centralising institution. That was most recently exemplified by the absorption of the Wales Tourist Board, the Welsh Development Agency and Education and Learning Wales into the machinery of the Welsh Assembly Government so that they became, in effect, arms of government. That process continues in the Bill. It is an exercise by the Assembly in stripping local authorities of their functions in respect of local transport, but leaving them, and therefore local council taxpayers, with potentially most of the cost of any failure. That is all the more disturbing given that section 113 of the Government of Wales Act 1998 imposes a positive duty on the Assembly to sustain and promote local government in Wales. The Bill does not achieve that.

The truth is that the Bill is in many respects unnecessary in facilitating the delivery of efficient transport in Wales. Local authorities are already working collaboratively in respect of public transport. We heard earlier about SWWITCH—the South West Wales integrated transport consortium—and the Minister will know about Taith in north Wales. Are the Government suggesting that Taith is somehow failing in achieving the outcome that the Assembly seeks. In what way will the proposed joint transport authorities improve the present arrangements respect of transport delivery?

Clause 2 imposes an obligation on the Assembly to prepare a Wales transport strategy. However, the 1998 Act already empowers the Assembly to prepare such strategies as it wishes, and it can already require councillors to have regard to those strategies in

preparing their local transport planning by using its powers to give guidance under section 112 of the Transport Act 2000.

I am concerned about the proposed composition of the joint transport authorities, for two principal reasons. First, although the Assembly must consult local authorities before making an order establishing a JTA, it will be at liberty to ignore whatever representations those authorities make. Secondly, clause 4(4) provides that JTAs may include representatives of local authorities among their numbers, but contains no obligation on the Assembly to ensure that there is local authority representation on the JTAs, much less to ensure that local authority representatives are in a majority for voting purposes. Those are matters that I shall wish to pursue at a later date.

While the voice of local authorities is seriously undermined by the Bill, clause 5(10) contains worrying powers for the JTAs to impose levies on those authorities that will in due course be converted into council tax. No assurances have been given, in the Bill or otherwise, as to the resourcing of the JTAs. In that respect, I share the concern of my hon. Friend the Member for Leominster (Bill Wiggin). It is unacceptable that council taxpayers may effectively be asked to pick up the tab for the failure of a JTA given that they may have no democratic representation on it.

The hon. Member for Caernarfon (Hywel Williams) mentioned trunk roads in Wales. That is clearly the area where improvements are most desperately required. I remember the days when I travelled from north to south Wales along the A470 with, frankly, horror. Unfortunately, I see little in the Bill that will improve the powers of the Assembly to pursue a trunk road building programme, which is where it should be concentrating most of its effort.

The subject of air travel has exercised many hon. Members today and, to mix metaphors, has been a hobbyhorse of the Secretary of State for some time. Perhaps I should say that it is a kite he has been flying. I well remember that before the 1999 Assembly elections he issued a strict injunction that the 13 Members of the Welsh Assembly from north Wales should be required to take an air service that would fly from Caernarfon via Hawarden to Cardiff to get them there safely, cheaply and quickly, as he put it. The problem was that the plane he was talking about could accommodate only nine passengers. That led some wag to suggest that perhaps the Secretary of State was hoping that among those elected would be two right-wingers and two left-wingers.

Of course, the service failed, as I found to my cost when I was called to the colours of the Welsh Assembly. I made inquiries as to the availability of the service and was told that it had failed and was no longer operating. Subsequent attempts have been made to establish an all-Wales air service and they have also failed. I have no objection to some form of subsidy being used for pump priming, as the hon. Member for Montgomeryshire (Lembit Öpik) described it, but it would be a wrong application of public money to provide continuous subsidy for a service that would be used largely by public employees travelling north to south and back.

As my hon. Friend the Member for Monmouth (David T.C. Davies) mentioned, the natural routes in Wales are east to west, and air transport links would be most useful on those routes. However, the subsidy regime would not permit public moneys to be used for that purpose, unfortunately.

Lembit Öpik: We are beginning to reach consensus. We have established that pump priming is acceptable and that infrastructure investment probably makes sense. If research were to show that the investment of subsidy would be more than exceeded by an increase in economic activity, would the hon. Gentleman think that it was a reasonable investment? I am not about to whip such evidence out of my pocket, but does he agree that it would be a useful area for economic research?

Mr. Jones: It would be a useful avenue to explore, and if some economic benefit could be proved, Conservative Members would not oppose such investment. However, the Secretary of State appears to be blindly committed to an intra-Wales air service subsidised at public expense, and I would not be prepared to support that. I would, however, be prepared to support better links to the important regional airports that serve my constituency and that of the hon. Member for Wrexham (Ian Lucas)—Liverpool and Manchester airports. We desperately require an improvement to the road link between the A494 and the M56, which is a significant bottleneck between Liverpool and north Wales.

Ian Lucas: I have some good news for the hon. Gentleman. An improvement to the junction that he mentioned was announced shortly before the general election.

Mr. Jones: I am delighted to hear that, because it is a significant impediment to traffic between the north-west of England and north Wales.

In many respects, the Bill is an unnecessary exercise in extending the powers of the Assembly at the expense of local government. It is the reverse of devolution, because it will suck up powers from local authorities to the National Assembly. Thus far the Assembly has not commanded tremendously enthusiastic public support. In fact, turnout in the last local government election was significantly higher than in the last two Assembly elections. The Assembly's failure on health in particular is notorious. It would be better applied if it attempted to exercise efficiently its existing powers, rather than seeking to acquire more.

The Bill, I am afraid, will be met with very little enthusiasm in many parts of north Wales, and it will have to be amended significantly before it is enacted.

3.50 pm

Gregory Barker (Bexhill and Battle) (Con): Once again, I apologise for the early departure of the shadow Secretary of State for Wales, and add my congratulations to the new Under-Secretary of State for Wales, the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger). If he is as classy a Minister as he was a Whip, it will be to the considerable benefit of Gwydr house.

We Conservatives share many of the aspirations that lie behind this Bill, which has many worthy and commendable objectives. Who can doubt that a

"safe, integrated, sustainable, efficient and economic transport"

[Gregory Barker]

policy would be to the benefit of the people of Wales? I welcome the responsibility placed on the National Assembly for Wales to publish, and to be held accountable for, a transport strategy for Wales. We want public investment in transport in Wales to contribute to the safer and more efficient distribution of travellers and journeys between different modes of transport, principally rail and road. But ultimately, we want a policy that will contribute to raising the quality of life of far more people in the Principality.

We have had a very interesting and knowledgeable debate. This is the first time that I have participated in such a debate on Wales and I have learned a great deal, having listened to the high-quality contributions from all parts of the House. One of the most knowledgeable Members is certainly the hon. Member for Ynys Môn (Albert Owen), who made a thoughtful speech and is clearly a great advocate of ferries and railways—and now planes. It is always a pleasure to listen to the hon. Member for Montgomeryshire (Lembit Öpik), who, as always, was illuminating, interesting and humorous. I had not realised that if fate had taken just a slightly different turn, rather than sitting on these green Benches, he could have been the Richard Branson of 2005.

Mark Tami: Or the Freddie Laker.

Gregory Barker: Indeed—who knows?—but the hon. Member for Montgomeryshire certainly demonstrated his wide knowledge of the subject and his considerable grasp of detail. He gave rise to an interesting debate on the question of a north-south air service, but there seems to be a slight dichotomy here. It could, as he suggests, be a small, discrete, boutique service, conveying just a handful of people daily. If so, it would by definition have a minimal impact on carbon emissions, and would give little cause for concern to those of us who are worried about the environmental impact. On the other hand, such a service could, as the hon. Member for Ynys Môn seemed to suggest, make a useful contribution to easing congestion on Wales's ever-more crowded roads. But it cannot be both: it cannot be a lightweight service and also reduce congestion, so its advocates have to decide which it will be.

We are certainly not implacably opposed to such an air service, but we are worried about the Government's promoting and subsidising air travel at a time when we are urging them to be more responsible about the growth in aviation, given aviation's huge impact on CO_2 emissions and its unchecked contribution to global warming. We recognise that such a service could well play a significant role, but we are extremely sceptical about anything that could prove to be a long-term drain on public funds.

The hon. Member for Gower (Mr. Caton) has been a member of the Welsh Affairs Committee since 1997, so he brought considerable experience to his speech. He urged the Government to think again about their reluctance to move the transport commissioner for Wales from Birmingham. I am a relative outsider, but it seems bizarre that the commissioner should be in Birmingham, especially given the poor transport links with that city. However, I was glad that the hon. Gentleman recognised the need to take on board the environmental impact of encouraging more air services.

My hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) made a terrific speech. He is clearly going to be a champion in this House of small business and economic regeneration. He said quite rightly that he was extremely worried that the voice of business—especially small businesses—was being lost in the debate about transport in Wales. He asked why the private sector was not an equal stakeholder in the debate, alongside the public sector. I hope that when the Minister winds up the debate he will address that point and reassure the House that the Government are listening carefully to the business voice in Wales. That is important, because the Bill appears to be very much focused on the public sector and public servants.

My hon. Friend the Member for Preseli Pembrokeshire was also concerned that the Bill would create another clutch of quangos. We shall certainly want to examine in Committee the mechanisms by which any transport policy would be delivered. My hon. Friend threw his weight behind those who are keen to expand air travel, although he cautioned against subsidy—perhaps he had his business hat on again. That warning should be heeded, given that successive Governments have tried to pick winners in this sector and ended up subsidising lame ducks. As the hon. Member for Montgomeryshire pointed out, there is a fundamental difference between Governments providing seedcorn capital and pump-priming a new idea, and getting involved in a project that turns out to be a long-term burden on the taxpayer.

The hon. Member for Wrexham (Ian Lucas) made a thoughtful and wide-ranging contribution, in which he displayed his usual knowledge. I have had the pleasure of serving with him on the Environmental Audit Committee, so that came as no surprise.

The hon. Member for Blaenau Gwent (Peter Law) made a distinguished, historic and even moving maiden speech, and I was glad to be in the Chamber for what will come to be regarded as a parliamentary occasion. I listened to him especially carefully, as would anyone when an hon. Member has managed to overturn a Labour majority of 19,500. I am sure that Opposition Members will go through his speech in forensic detail for crumbs of comfort or tips on how that trick might be replicated more widely. I am sure that the people of Blaenau Gwent have chosen a worthy successor to the distinguished Members who have served that constituency in the past.

The hon. Member for Clwyd, South (Mr. Jones) was brief and concise, and the hon. Member for Caernarfon (Hywel Williams) gave a comprehensive analysis of his area's very real transport problems, although he supported the Bill overall. However, he took the opportunity to draw attention to the issue of charging for school buses. He has a good history of campaigning against that, and he said that he was worried that the matter could raise its head again as a result of mechanisms that the Bill will put in place.

The hon. Member for Swansea, East (Mrs. James) gave the House the benefit of her considerable professional experience in transport matters. I am sure that that will be a great help to us all in the future.

My hon. Friend the Member for Monmouth (David T.C. Davies) gave us a terrific analysis of the real and everyday practical problems experienced by transport users in Wales, week in and week out. He was the first to flag up the critically important question of safety, especially road safety. I have taken an interest in road safety in my constituency, and my hon. Friend made some forceful remarks about the need for greater road safety, especially in rural areas. His speech may mark the start of a campaign, on behalf of his constituents and everyone else in Wales. People are fed up with traffic speeding through communities, often with horrific and fatal consequences. He also detailed the practical transport problems that are experienced by the people of Chepstow and Abergavenny, and the really silly problem that they have at Cardiff airport. I hope that as a result of his shedding light on those problems, something will actually be done. My hon. Friend also warned against using the Bill, which he backed overall, to back more grandiose "grands projets", for which it appears the Assembly in Wales has a particular weakness.

My hon. Friend the Member for Clwyd, West (Mr. Jones), following his hopeful and optimistic opening comments, made a clear and methodical analysis of the practical realities of the Bill, and brought to bear a clear mind through which he dissected many of its clauses. He has the makings of a first-rate parliamentarian and I am sure that he will be extremely effective in Committee. He warned of the possibility of significant impacts on the council tax as a result of proposals in the Bill. As he rightly pointed out, there is no democratic representation on the joint transport authorities to check their spending, and council tax payers could find themselves landed with a large bill over which they have had no say. He brought a similar common-sense approach to the issue of air transport.

We share many of the aspirations that underlie the Bill, but we have a number of concerns, which we shall want to flag up in Committee. First, we question whether the powers given to the Assembly will deliver the results that people in Wales want. We are concerned that the Bill, although it appears to be a devolving Bill, will not bring government closer to people, but will take power from local communities—from county councils and local authorities—that are already operating effectively and pass them up to the National Assembly and, worse still, to unelected quangos. In other words, we need to be satisfied that local democracy is not the loser in the Bill.

Secondly, there are questions about the joint transport authorities. Are they necessary? Will they be expensive? Have they been properly costed? Will they contribute to the stripping of powers from local government and move decision making further away from democratic representatives?

Thirdly, the Bill would empower the Welsh Assembly to subsidise to the tune of £1.5 million the Swansea-Cardiff-Anglesey intra-air route. Will that really provide value for taxpayers' money and will it provide a useful, environmentally sustainable transport scheme?

As I said at the outset, there is much that we support in the Bill, but we support it with caution. We must be careful that what seems to be a devolution of power from Westminster to the Welsh Assembly does not have the result of removing powers from local government and vesting them in quangos. Simon Jenkins, in his Halstead lecture in 2002, commented:

> "I would bet that Wales has the fewest elected officials per thousand citizens, and is thus the least democratic and most bureaucratised"—

if there is such a word—

> "local government anywhere in Europe."

We must not compound that sad state of affairs, for reasons of both preserving local democracy and avoiding wasteful expenditure on yet more quangos, which place extra tiers of administration between the Assembly and local government.

Ultimately, the Welsh people want action on transport. They do not want administrative reorganisation for the sake of yet more administrative reorganisation. If the Bill allows the National Assembly to exercise its powers more effectively and results in better transport outcomes for the people of the Principality, it will have our support, but we shall scrutinise it carefully in Committee to ensure that it does.

4.4 pm

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): This has been a full and interesting debate. I welcome the hon. Member for Bexhill and Battle (Gregory Barker) to his new position. I am not sure whether he ever sat in on a Welsh debate as a Whip, but today he will certainly have seen the quality of our debates on Welsh affairs.

I thank all the right hon. and hon. Members who have taken part. I am also grateful to the Select Committee on Welsh Affairs, the Welsh Grand Committee and the Economic Development and Transport Committee of the National Assembly, which were all involved in the pre-legislative scrutiny of the Bill. Many people and organisations responded to the public consultation and today's debate has confirmed the benefit of that work, because as Members have pointed out, after the pre-legislative scrutiny, significant changes were made to the Bill.

I shall go through the contributions that have been made, beginning with that of the hon. Member for Blaenau Gwent (Peter Law) who made a speech from the heart. The hon. Gentleman is in the same tradition as his predecessor, Llew Smith; he, too, spoke from the heart about his community and its needs. It is an area of significant deprivation and in the hon. Gentleman's role as both Member of Parliament and Assembly Member he will have his work cut out addressing those problems. I was grateful for his supportive comments about the NHS, which was founded in Tredegar, and for his compliments on the Bill and the White Paper, launched yesterday.

The hon. Member for Leominster (Bill Wiggin) seemed to be preparing himself for the Committee. He posed a large number of questions in his contribution and I shall run through some of them. He and other Members spoke about cross-border patterns. I assure them that cross-border issues will inform our strategy for the joint transport authorities, if they are set up. Under the Bill, cross-border local authorities will be directly consulted about both the strategy for JTAs and the programmes they develop.

[Nick Ainger]

The hon. Member for Leominster also commented on a traffic commissioner for Wales, as did other Members. The reason that there is no provision to create a separate commissioner for Wales is that the current commissioners cover Wales. The Assembly is content with their role in Wales and with the presence maintained in Wales by the regional offices of the Vehicle and Operator Services Agency. I assure my hon. Friend the Member for Gower (Mr. Caton) that the Assembly is satisfied with the current arrangements and sees no reason to change them.

The hon. Member for Leominster and other Opposition Members asked whether JTAs would simply give rise to more quangos and bureaucracy. The hon. Members for Clwyd, West (Mr. Jones) and for Bexhill and Battle felt that significant powers could be taken away from local authorities—the reverse of devolution and subsidiarity. In fact, the hon. Member for Clwyd, West may not have read the Bill in what I am sure will soon be his customary detail. Had he done so, he would have seen that subsection (5) of clause 5 makes it clear that local government representation must be more than 50 per cent., ensuring accountability. That will ensure not only that local authorities are properly represented but that they are in the majority on JTAs.

Mr. David Jones: Local authority representatives will not necessarily be appointed to the JTAs. It is theoretically possible at least for the JTAs to have no representatives at all from local authorities.

Nick Ainger: I again refer the hon. Gentleman to clause 5(5). I give him the categorical assurance that if the Assembly decides to create a JTA—that is not a requirement of the Bill, but a power that is being given to the Assembly—the JTA's membership will have more than 50 per cent. local authority representation.

The hon. Member for Leominster also referred to funding issues, running costs and so on. The Assembly is committed to ensuring that any additional funding will be funded by the Assembly and programmes will be funded from existing programme schemes. Andrew Davies, the Assembly's Minister for Economic Development and Transport, announced in December last year that £8 billion would be available for transportation matters in Wales over the next 15 years, and there will be substantial funding from that source for the work of any JTA or for the consortiums if their work, as they are currently set up, continues.

The hon. Gentleman also referred to the need to ensure that there were cross-border arrangements for joint working. I give him the assurance that there will be consultation, but that all additional funding that might come from the work of the JTAs would be funded by the Assembly.

Many Members have referred to air transport, which is covered by one clause in the Bill, but we seem to have spent an inordinate length of time discussing it. None the less, the subject is of interest to many Members, who expressed a range of views. Many seemed to be concerned by the financial implications, but I can help them on that. There will be a process for the public service obligation, and justification will have to be made ultimately to the Secretary of State for Transport, who has overall responsibility for air transport, before any subsidy can be agreed. The European Union is also examining the matter very closely in terms of competition matters. If the Assembly makes a case to subsidise a particular route or series of routes, full regulatory impact assessments will take place. Although Members have generally supported the possible extension or development of subsidised air routes in Wales, they were concerned that they would prove to be a bottomless pit into which we would pour money. The process will ensure that that will not happen. A strong, coherent case will have to be put forward.

My hon. Friend the Member for Ynys Môn (Albert Owen) not only championed the case for air travel, but said that integrated transport should include sea transport. He is a great champion of the port of Holyhead and the services that run from there. Cruise ships are now using the port, which brings tourists to the area, who are spending money in his constituency and other parts of Wales. Ports and sea transport are not covered by the Bill because they are reserved matters and thus the responsibility of the Department for Transport. However, the Assembly will clearly recognise the importance of ports and sea transport to the economy of Wales, so I am sure that it will take that fact into account when developing the overall strategy.

My hon. Friend also asked why it was not possible to give subsidies for air routes starting or ending outside Wales, which is quite a complex matter. Although subsidy has been made available in Scotland to encourage the generation of new routes outside Scotland, it cannot be seen as an ongoing subsidy—it can be a kick-start only. The European Union would examine closely any subsidy provided.

The hon. Member for Montgomeryshire (Lembit Öpik) waxed long and lyrical about his aviation experience, in addition to raising several points to which I shall try to respond. Now that the Secretary of State is in the Chamber, I assure the hon. Gentleman that the Assembly Government will look for examples of good practice, whether they be in Scotland, Northern Ireland or anywhere else in Europe. Both he and my hon. Friend the Member for Ynys Môn asked whether statistics had been collected on likely passenger numbers and levels of subsidy. The consultants have indicated that the intra-Wales air network could have 13,000 passengers at its initial start-up and that the number could rise to 18,000 after five years.

I have already responded to the point about the commissioner made by my hon. Friend the Member for Gower. He also raised bus franchising. The Assembly has considerable flexibility to develop bus policies within the existing legislative framework and does not think that there is a need to move towards bus franchising. Given that Wales has a different nature compared with London, where the scheme has clearly been a success, the Assembly thinks that quality bus partnerships probably represent a better way forward for Wales.

Although the hon. Member for Preseli Pembrokeshire (Mr. Crabb) welcomed the Bill, he raised several concerns, including one about the business sector. I assure him that the announcement of the £8 billion programme for the next 15 years was widely welcomed by the south-east Wales economic

forum, the CBI, the Freight Transport Association and the Road Haulage Association. Although the Bill does not provide for this, it is clear that business will be consulted. Business is such a key player in developing any transport strategy that it will undoubtedly be consulted at length and in great detail when developing the strategy. I also assure him that in developing the local regional strategies through the joint transport authorities, there will be no attempt to undermine the planning, leisure and social services responsibilities of local authorities. There is no intent whatsoever for the JTAs, if they are established, to remove powers from local authorities.

My hon. Friend the Member for Wrexham (Ian Lucas) made an excellent speech, raising in particular the high car usage in north-east Wales and the need to develop public transport, especially the Wrexham-Bidston line. I am more than happy to meet him to discuss how we can take that forward. Clearly, more integration is needed, and he gave examples of that.

My hon. Friend the Member for Clwyd, South (Mr. Jones), the former Chairman of the Welsh Affairs Committee, again highlighted how excellent the process of scrutiny had been. It helped to produce the Bill in its amended form.

The hon. Member for Caernarfon (Hywel Williams) raised a number of issues. In particular, he asked what powers the Assembly will have if there are changes to rail services or timetables. In relation to the franchise, as co-signatory it has considerable powers. On those services for which it is not directly responsible, such as the Virgin line that serves his area, it will be consulted by the Secretary of State for Transport.

My hon. Friend the Member for Swansea, East (Mrs. James) told us of her background in the rail industry. She obviously has a great deal of expertise and supported the work that is going on with the transport consortiums, which other hon. Members also mentioned. It is going well. As I said, although the provision is in the Bill, it does not mean that we move from the voluntary consortiums to the JTAs. The performance of the voluntary consortiums will be judged, a decision will be taken by the Assembly, and it may move to a JTA, but it is not a requirement.

The hon. Member for Monmouth (David T.C. Davies) raised the issue of safety and speed and the difficulty, which all hon. Members have experienced, of getting a speed limit reduced. He also mentioned access to Cardiff airport. My hon. Friend the Member for Vale of Glamorgan (John Smith) has regularly raised that in the Chamber. The new rail service is being launched this weekend, I think. City airport in London has a similar problem because the dockland light railway is not next door to the terminal and a link has to be provided by road transport. That situation is repeated at Cardiff airport railway station.

David T.C. Davies: I accept the point about airports. However, on speed limits, on which I know that many hon. Members on both sides of the House agree, why should it be much harder in Wales than it is in England to redesignate speed limits on roads?

Nick Ainger: I cannot give the hon. Gentleman a direct answer, but I will find out, and I shall certainly take the matter up with Andrew Davies.

I think that I have dealt with most of the points made by the hon. Member for Clwyd, West. There is no intention to see powers taken away from local authorities. The idea of the Bill is to get them working together in a more integrated way. They have the representation to ensure that they would have a majority on any JTA if and when it were formed. I hope that, after looking at clause 5(5), he is reassured that they would have that control.

An efficient and effective transport system is critical to the future development of Wales. It plays a crucial role in the development of a diverse, competitive, high value-added economy. Our transport infrastructure serves as a backbone to economic growth. Transport is also key to taking forward our social agenda, such as in facilitating community regeneration and tackling urban isolation.

Tackling the transport problems of Wales presents a massive challenge in the face of ever-increasing demand to travel. It is an area in which Wales has made good progress, working with our key partners in the public and private sectors. We need to raise our game not only to keep up with the pace of change, but to make real advances. In order to respond to that challenge and to start to deliver the Assembly's vision for integrated transport, we have to ensure that the Assembly has the right tools to do the job. In the past, the Assembly's limited and fragmentary transport powers have restricted its ability to take forward its strategic transport agenda. The Bill gives the Assembly the powers that it needs to meet that challenge. I urge the House to support the Bill.

Question put and agreed to.

Bill accordingly read a Second time.

TRANSPORT (WALES) BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Transport (Wales) Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 30th June 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Heppell.]*

Question agreed to.

TRANSPORT (WALES) BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Transport (Wales) Bill it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable out of money provided by Parliament under another enactment.—*[Mr. Heppell.]*

Question agreed to.

Northern Ireland

4.27 pm

The Minister of State, Northern Ireland Office (Mr. David Hanson): I beg to move,

That the direction given by the Secretary of State under section 51B(2) of the Northern Ireland Act 1998 on 1st April 2005, a copy of which was laid before this House on 4th April, in the last Session of Parliament, be approved.

The direction before us removed Sinn Fein's entitlement to financial assistance under the financial assistance scheme available to the parties in the Northern Ireland Assembly for 12 months from 29 April 2005. The approval of both Houses is of course required, and I am pleased to inform the House that on 14 June the House of Lords approved the motion, which was moved by Lord Rooker.

The background to the direction will be familiar to hon. Members. The matters to which it relates have been debated here on a number of occasions. I therefore intend to be brief, but it may be helpful to the House and to you, Madam Deputy Speaker, if I summarise the key events before turning to the substance of the direction.

The direction follows the Independent Monitoring Commission's fourth report, laid in Parliament and published on 10 February, which covered the Northern bank robbery and other crimes that it attributed to the Provisional IRA. The IMC's report, at paragraph 14, said that Sinn Fein must bear its responsibility for the incidents to which it referred, and it recommended that the Secretary of State consider exercising the powers that he has in the absence of the Northern Ireland Assembly to impose financial measures on Sinn Fein.

The House will recall that the former Secretary of State for Northern Ireland, my right hon. Friend the Member for Torfaen (Mr. Murphy), made a statement in the House on 11 January, in the immediate aftermath of the Northern bank robbery. That statement set out the impact of the robbery on the political process and its damaging effect on the Government's efforts to restore the devolved institutions. I pay tribute to my right hon. Friend for his work as Secretary of State in support of the Northern Ireland Office during his time in office. I worked with him previously as a Parliamentary Under-Secretary in the Welsh Office, and I know his integrity and commitment to the job.

My right hon. Friend made a further statement on 22 February after the publication of the IMC report. He said that having reflected on the IMC report, he had concluded that it would be appropriate to make a direction to remove Sinn Fein's entitlement to financial assistance and that the direction would be for 12 months, the maximum period permitted under the legislation. As required, he would take into account any representations made by Sinn Fein before reaching a final decision. Having provided Sinn Fein with an opportunity to make representations, my right hon. Friend decided that it would be appropriate to make a direction, and he did so on 1 April. A further debate took place in this House on 10 March on the separate matter of the suspension of Sinn Fein's entitlement to Westminster allowances for 12 months.

With regard to the substance of the direction, it removes Sinn Fein's entitlement to payments under the financial assistance for political parties scheme for

12 months from 29 April 2005. It is the second direction against Sinn Fein, because a similar financial penalty was imposed from 29 April 2004 to 28 April 2005 following the IMC's first report in April 2004. That report attributed an attempted abduction to the Provisional IRA, and the IMC recommended that financial measures be imposed on Sinn Fein.

In the various debates that I have mentioned, there was general support for action against Sinn Fein. The need for the direction reflects the problems—ongoing paramilitary activity and criminality—that have blighted the political process in Northern Ireland, and both the Prime Minister and the Secretary of State have made it clear that that must stop in order for progress to be made.

It gives me no pleasure to have to bring this matter before the House. As the Secretary of State said yesterday at Northern Ireland questions, we hope that in the period ahead we shall see movement from the Provisional IRA that ensures that the final transition to exclusively peaceful and democratic means is achieved. On the assumption that such movement occurs, the IMC will continue to play an important role in attesting that the reality matches the Provisional IRA's commitments. Moreover, it has a responsibility in relation to all paramilitary activity in Northern Ireland from whatever source.

I pay tribute to the members of the IMC for their reports to date and for their contribution to promoting peace and stability in Northern Ireland, and in doing so I commend the direction to the House.

4.32 pm

Mr. David Lidington (Aylesbury) (Con): I thank the Minister for setting out the background to the motion, which, as he has made clear, extends the financial penalties against Sinn Fein at Stormont for a further 12 months by giving effect to the direction signed by the former Secretary of State on 1 April this year.

As the Minister said, the IMC reports on the relationship between Sinn Fein and the Provisional IRA provide the background to the debate and the continuing involvement of that republican organisation in crime and paramilitary activity in Northern Ireland. It is worth reminding ourselves of the first IMC report published in 2004, which made plain what the members of the IMC considered to be the relationship between the two parts of the republican movement. In respect of the leadership of Sinn Fein, it stated:

"Some members, including some senior members, of Sinn Fein are also members, including, in some cases, senior members of PIRA".

The Government have made the same point in more cautious language—Ministers have referred to the inextricable link between Sinn Fein and PIRA—and it has also recently been made in very direct terms by the Minister of Justice in the Republic of Ireland.

Since last April, a further four IMC reports have been published. The fourth report, published in February, was categoric in its verdict that the Provisional IRA was responsible for the Northern bank robbery in December and for three other major robberies last year. It repeated the point that had the Northern Ireland Assembly been sitting, the IMC would have recommended the exclusion of Sinn Fein from office in the devolved Executive.

Mr. Nigel Dodds (Belfast, North) (DUP): Does the hon. Gentleman remember that the Chief Constable recently reported that, short of killing members of the security forces, the Provisional IRA was engaged in all the other forms of paramilitary and terrorist activity? That adds further weight to his comments about the IMC report.

Mr. Lidington: The hon. Gentleman is right about the Chief Constable's verdict.

The IMC's views have been supported not only by the Chief Constable of the Police Service of Northern Ireland but the Commissioner of the Garda Siochana. The most recent report, which was published in May and to which the Minister referred, concluded that the Provisional IRA continues to carry out paramilitary and criminal activity and that it is still recruiting, training and gathering intelligence.

Perhaps most worryingly, given the emphasis on and expectation of an IRA statement and action to decommission weapons, the IMC referred to the discovery in September last year of

"10,000 rounds of PIRA ammunition suitable for use in assault rifles, a type not previously found in Northern Ireland and manufactured since the Belfast Agreement".

The IMC concluded that

"PIRA remains a highly active organisation"

and that while

"there is no present evidence that it intends to resume a campaign of violence... its capacity remains should that become the intention".

The Conservative party therefore has no hesitation in supporting the motion.

The debate takes place against a backdrop of intense speculation about the IRA's response to the speech made in April by Gerry Adams. The debate and the IMC reports on which the measure rests are a salutary reminder of how far the IRA has to go. If there is to be progress towards an inclusive Executive, the IRA response must be clear and unambiguous, not only in words but in deeds. There can be no further room for fudge or ambiguity. If there is ambiguity, I fear that the blunt truth is that there will be no agreement.

There needs to be an end to all forms of criminal and paramilitary activity. There has to be complete decommissioning and republicans must accept the legitimacy of the police and the criminal justice system and support those institutions rather than try to undermine them. There must be what the Prime Minister described as far back as 1998 as the

"dismantling of paramilitary structures actively directing and promoting violence".

The IRA must be disbanded as an effective paramilitary organisation. That will need to be transparent, and effectively and independently verified. I realise that the Government do not feel comfortable with the word "disbandment", although I note that the Minister for Justice in the Republic of Ireland is a bit less shy of using the term. Ultimately, the process must be about that.

[Mr. Lidington]

I want to probe the Government on a final point. If, when the IRA statement is made, they believe that it and the IRA's subsequent actions amount to sufficient evidence that the organisation has gone out of business, surely their logic would lead them to ask whether that was also a sufficient basis for de-proscribing the Provisional IRA as an illegal organisation under the Terrorism Act 2000. The logic would be that if the Provisional IRA had ceased to be a terrorist organisation, the need for it to be illegal would no longer exist. Conversely, if the IRA had not done enough to merit de-proscription, how could it have done enough to merit inclusion in a devolved Executive? It would be very strange to have Ministers in government inextricably linked to an organisation that Governments in London and Dublin believed had to remain illegal even though it had moved into what has been termed a new mode.

We genuinely wish the Government well in their efforts to secure a comprehensive agreement and restore devolved government to Northern Ireland, but inclusivity can be based only on all parties accepting the same standards of democracy. There can no longer be different rules for some but not others. This is what we shall insist upon when we consider our response to whatever the IRA says over coming weeks and months. In the meantime, current IRA activity more than justifies the modest sanction that is before the House today.

4.40 pm

Lembit Öpik (Montgomeryshire) (LD): I welcome the Minister to his new job. Having worked with the Prime Minister for a long time this is his reward—the Northern Ireland portfolio.

We support the order and we recognise that it is necessary to implement these sanctions against parties that are not participating fully in the peace process. We cannot allow the process to be delayed by paramilitaries and those connected to them without there being some form of sanction. As I said when the sanctions were suggested, they seem to be a regrettable necessity.

Looking back, I remind the House that I was frustrated and somewhat annoyed when we were told to take on trust the fact that the IRA had conducted the Northern bank robbery, but subsequently it has become quite clear from the comments of the Independent Monitoring Commission and others that the IRA seems to be responsible for that robbery. In addition, the murder of Robert McCartney has caused the most recent crisis in the peace process. Only further action from paramilitaries can help to move the process forward again by positively demonstrating that they are committed to exclusively peaceful and democratic means. While we generally think of the IRA in that context, it obviously applies to all paramilitary organisations in Northern Ireland.

As the House will recall, I raised an interesting proposal from the Alliance party on 10 benchmarks, which might be helpful in measuring more objectively the distance the paramilitaries have come. I am pleased that the Secretary of State for Northern Ireland has agreed to meet David Ford, the leader of the Alliance party, to discuss those further.

I suggest to the House that the 10 points are worthy of brief consideration, and the Alliance party says that they should be used to assess the sincerity with which the principles of the peace process are being adhered to. First, paramilitaries must declare an end to all involvement in any paramilitary and criminal activity, and through exclusively lawful means ensure that their activists desist immediately. Secondly, where individual republicans are involved in paramilitary or criminal activity, others must pass on any information to the lawful authorities and urge others to do likewise. The IRA must accept that obstruction of justice is a crime.

Thirdly, the republican movement must accept the full legitimacy of both the northern and southern states with respect to policing and criminal justice, including definitions of what constitutes a crime. Fourthly, all IRA front organisations and organised crime networks must be dismantled.

Fifthly, the IRA army council must end all recruitment, training and intelligence gathering, and stand down all its rank and file members. Once that is carried out and weapons are decommissioned, the organisation, including all command structures, must disband. Sixthly, the republican movement must renounce the right to engage in community policing or what is termed "internal housekeeping". There must be an end to all paramilitary beatings and shootings.

Seventhly, the practice of exiling both inside and outside Northern Ireland must come to an end. Crucially, assurances must be given to those exiled that they can return to Northern Ireland in safety. Those assurances must be carried through. Eighthly, all illegally held weapons and explosives must be decommissioned under the aegis of the Decommissioning Commission. Ninthly, republicans must co-operate fully with the commission for the disappeared and both police services in recovering the remains of the disappeared.

Finally, republicans must give a commitment not to export their terrorist techniques and expertise to other organisations internationally, either through direct training or other consultancy services, in line with the Terrorism Act 2000.

I accept that there will be different views about those 10 points. I hope, however, that the Minister can indicate that he recognises the benefit of having objective measures that consider not just the front-line violence that characterised the troubles for so long but the underlying and ongoing violence about which anybody involved in matters relating to the Province knows.

In that context, I counsel the Minister not to allow a recurring error in dealings with the IRA to happen again. On several occasions, it seems to me that unilateral deals have been done with paramilitaries, excluding the pro-agreement parties. Understandably, that has been frustrating for those parties that have consistently shown commitment and good faith in the process. It would be extremely unhelpful if, following some sort of statement from the IRA, it looks once again as if the Government have decided to do a back-door deal without involving all the other parties involved in the peace process. Will the Minister assure me that he will not allow that to happen again?

That being said, it seems that the sanctions must remain for now. Until a significant change occurs on the part of the paramilitaries, and particularly the IRA, and especially with regard to the underlying violence that continues in the Province, we must recognise that these financial sanctions need to be in place. I am pleased and find it helpful that Sinn Fein has a small staffing presence on the premises, which I find useful in terms of understanding their thinking and what is going on. That is a separate matter, however, and for now I feel that the Liberal Democrats are obliged to support what is a regrettable necessity.

4.46 pm

Rev. Ian Paisley (North Antrim) (DUP): I support the provision of the Secretary of State to impose sanctions on those associated with terror and criminality but regard the penalties as so small in relative terms as to make them irrelevant to those whom they are supposed to hurt. Do we really think that this House is hurting Sinn Fein-IRA by denying them such a miserable number of pounds when they have millions in store and are probably looking for millions more? It is almost laughable.

I was just saying to myself that if the situation in Northern Ireland were happening in any other part of this United Kingdom, these Benches would be filled. Were someone from that part of the United Kingdom saying that terrorists who had broken loose in Lancashire and Yorkshire must be brought into the Government, they would be laughed out of the House. Some of the things that the Alliance party has said now, I said years ago, and I was laughed out of court and told that I was a madman for saying them. In fact, I was told that never would any southern politician agree to the IRA being disbanded. Those things are now being argued over, however, and strong statements have been made not by Protestants or Orangemen or those who, according to some new Members of the House, are divisive, but by the Front Bench of Dail Eireann today. Statements are on record today that the only way this matter can be dealt with is through the disbandment of the IRA. It must go.

If the House does not agree with that, it need not say on another occasion that it will do this, that or the other thing. There are those who are propelling themselves, and trying to compel others, down the road of rebellion and republicanism, and on the loyalist side, too, there have been all types of violence. If we tolerate that, we will have no progress towards peace. We should face up to that. This is not a time for argument but for facing hard facts.

If some of us had said what the Independent Monitoring Commission said, the response would have been "Oh, you are romanticising". However, the activities of the Provisional IRA, as outlined by the IMC, illustrate how far republicans remain from committing themselves to exclusively peaceful and democratic means. The involvement of armed republicans in the Northern Ireland bank raid and other major robberies has reinforced the message that they are in the robbery and stealing business and the business of destroying peace and prosperity in Northern Ireland. The previous Secretary of State made a statement earlier this year about the Northern Ireland bank robbery, in which £26.5 million was stolen. He said that

"a highly organised and brutal gang kidnapped the families of two staff from the bank headquarters in Belfast, threatening them with death unless the individuals co-operated in the execution of the largest robbery that ever took place in these islands".—[*Official Report*, 22 February 2005; Vol. 431, c. 170.]

There is the former Secretary of State indicting the IRA for that robbery, and I ask today whether these are the sort of people that the House wants to place in a regional government of the United Kingdom and whether the House wants to carry out a campaign against the democrats who say no to them.

I am not speaking today purely for Protestants. I am speaking for many Roman Catholics and for many people who are neither Protestant nor Roman Catholic but of another religion. They have all come to the same agreement. I received a message during the election from a Roman Catholic priest who said, "Ian, please stand firm and do not move for our people, as many Catholic people living in areas where republicans are in a majority are tormented to death by the activities of Sinn Fein-IRA." He said that anyone living in such an area would be tormented to death, so it is not only the Protestant people who are saying this. It goes across the board.

Never before have so many people of all views and persuasions in Northern Ireland said that all this must end and be finished with once and for all. They are saying that anyone who wants to be in government must do so on the same basis as anyone else—by embracing democracy and only democracy because everything else is out. However, the problem is that the Government have never made it clear that the train will leave the platform without them. I issue a solemn warning to the Government, as I did personally and brutally frankly to the Taoiseach yesterday: if the Taoiseach and Mr. Blair try to make something out of an IRA statement that is not in it and if the statement is not followed with immediate action to prove its veracity, the situation will be even worse because people will say that the Governments are not prepared to stop this and that they are with those men and their activities.

The Independent Monitoring Commission was set up and approved by the Government—not by us; we had nothing to do with it—and I have to say that it has proved to be upright and honourable. We did not support its setting up. We thought that there were enough international bodies looking into Northern Ireland without having more foreigners coming in. However, the commission has been honourable and honest in facing up to facts. These are the facts and they should not be taken as facts from me, the Democratic Unionists or other loyalists, but as the facts from the IMC.

It is interesting to note that at the end of September the police discovered 10,000 rounds of ammunition suitable for use in assault rifles of a type not previously found in the Province, so there is new weaponry. That may have been only part of a larger consignment, and it demonstrates PIRA's continuing efforts to maintain its preparedness. The IMC said that intelligence it had received led it to believe that PIRA members had been involved in the murder of Robert McCartney, and that the killers had acted on the orders of a local commander.

[Rev. Ian Paisley]

Furthermore, they had then sought to obstruct the police investigation, forensically cleansing the scene of the crime and intimidating witnesses.

I welcome the fact that people have been arrested for that. I trust that the truth will be brought out vigorously by the prosecuting officers of the Crown, and that the people who committed the murder will be called to account. I salute the sisters and partner of Mr. McCartney for their bold stand across the world to obtain justice for the one who was killed; but he is only one of hundreds and hundreds.

Members should go with me to see the people who are vegetables and have been forgotten. They should go and see the people who have no legs, or no arms, or cannot see. After the Abercorn bombing, arranged by Gerry Adams when he was in charge of the IRA, a member of my congregation was a vegetable for more than 10 years. I used to visit her regularly. Poor woman. We should consider not only the people who died, but the people who lost any enjoyment of life, and also the people who attend to them with all the tenderness of love, while knowing that those whom they are loving cannot understand that they are loved. I say to the House that we have a responsibility to stand up now.

Dr. William McCrea (South Antrim) (DUP): In the light of the targeting, recruiting, rearming and intelligence gathering, and every other sordid scam and criminal and murderous activity carried out by the Provisional IRA, does my hon. Friend agree that there can be no fudging? The organisation must be totally dismantled.

Rev. Ian Paisley: I entirely agree. I remind my hon. Friend that we sat in Stormont and listened to a debate on taking care of our children. Who spoke? Mr. McGuinness. He lectured us on how we should bring up our children. I was very angry, and I asked the Speaker if I could intervene. At last I had the opportunity. I said, "You, Mr. McGuinness, were the man who sent to the manse of my hon. Friend the Member for South Antrim (Dr. McCrea), on a Sunday evening, gunmen to do what? To murder his children in their beds. The gunmen fired 46 bullets into the bedroom of those children. Thanks to God's mercy, they were not all taken away. Then you have the audacity to say to me 'I will teach you how you should bring up your children'." We have reached a sorry low when all that the House can do to a man like Mr. McGuinness is say "Pay a few thousand pounds, and at the end of the year we will think about you again."

When we think about what PIRA has done, when we think of the killing of Mr. McCartney and—these are, of course, modern deeds—the arson attack on a fuel depot in September, and the fact that PIRA has continued to carry out shootings and assaults, we must surely say that it is time to come to grips with the organisation.

Mr. Dodds: My hon. Friend rightly referred to the courage and bravery of the McCartney sisters after the brutal murder of Robert McCartney. Recently the body of Gareth O'Connor was found after he had been abducted by the IRA. Does my hon. Friend agree that Mr. Adams and Mr. McGuinness should be called on to go the second line, and make it clear that information should be provided in connection with that case and hundreds of others, not just in connection with the McCartney case? Should they not be asked to take action against their people if they do not come forward with information on all those cases?

Rev. Ian Paisley: Yes, but that action is not going to take place. No one on the Government side of the House, or even in the Irish Republic, is pushing for it, as my hon. Friend and I very well know.

I do not know what we have to do, as public representatives, to urge that the pathway of stern justice must now be taken and that these people must be brought to book for their crimes. I do not want innocent people to suffer, but I want those who have done these vile deeds to be called to account by the court of law in a proper, organised way, so that the people can have justice done. There are people in Northern Ireland who do not even know where those whom the IRA murdered are buried; it will not give up the dead bodies of their loved ones. Sometimes I sit and hold a mother's hand and she says to me, "Ian, if only I could get the body and we could carry it and have a Christian burial, I would have sweet relief. I can't get my son back again, but oh if I only had his body." There are people in the IRA who come to the negotiating table—who come to Downing street and sit down with the Prime Minister—who know, but will not tell, and then I am asked to share power with them.

We made it clear at every meeting that we attended in our negotiations that anything under discussion could take place only under two conditions: first, complete decommissioning that was verifiable and satisfied everyone; and secondly, a cessation of crime. The only people who can tell us that it has ceased are the people who are living in these areas, and they are on their backs.

I said to the Taoiseach yesterday: "I want to be brutally frank with you. When you, and Members of your Government, can stand up and tell the people of Northern Ireland, 'We could now receive the IRA into our Government and enter into a coalition', then the people of Northern Ireland will perhaps begin to believe that it is possible." That is the test. It is all right for two Members of the southern Government—the Taoiseach and his Justice Minister—to argue about disbanding, not being able to use a name, and so on, but these things are inextricably linked. If one cuts two things that are inextricably linked together, they must both fall and be different at the end of the operation.

I, personally, cannot and will not negotiate on that basis, because I am bound by a strict mandate. I got that mandate in spite of fierce odds raised against us by people who said that it could not be done in a party that has ruled Northern Ireland and in which we were all born and bred. I was in the Unionist party for years, the Lord forgive me for my sins. I fought its campaigns and won it seats that it could never have won. I was in it all the way, but then I saw, sadly, betrayals that I personally could not tolerate. Because of that, I had to raise the standard. I did that at a time when no man who rose up in Ulster and challenged official Unionism ever lived. One man—an excellent politician—challenged it, and he was so pressured that he committed suicide. I have survived, and I will tell the House why—because the people now want the truth.

I plead with the Government not to make a big show of what Adams says. Let us test it. If the Prime Minister and the Taoiseach say, "This is great, we never saw anything like it in our lives, look what has been accomplished", it will be the same as it was at the time of the last so-called decommissioning, when the man who occupied the seat in this House where I stand now said, "This is the greatest day in Northern Ireland's history." Within 24 hours, he was saying, "I have to take back everything I've said."

Let us go forward on the one path. Let truth and justice prevail and let there be clarity of speech on all sides. Let people be honest, one with the other, and then we will get somewhere. I am glad that some tiny punishment will take place, but it is far too tiny and it comes far too late.

5.5 pm

Mr. Peter Robinson (Belfast, East) (DUP): If anybody thinks that how the Government and others handle the issue of Sinn Fein is a small matter, let them look around the Chamber. For many years, my hon. Friend the Member for North Antrim (Rev. Ian Paisley) and I sat alone as representatives of the Democratic Unionist party. We were encouraged in later years when my hon. Friend the Member for South Antrim (Dr. McCrea) joined us—at the time, he represented Mid-Ulster—but look at our ranks today.

It is regrettable that when we are dealing with a key issue affecting the constitutional future of Northern Ireland and the safety of its people, the three members of the Social, Democratic and Labour party have gone home or found somewhere else more enjoyable in the House. The large ranks of the Ulster Unionist party seem to have disappeared as well. However, the Minister will not get off easily, because the DUP is here in strength.

Nobody present today would argue that the Government are wrong to penalise Sinn Fein-IRA, but some will question whether their plans are appropriate and sufficient. Perhaps the Minister, when he winds up, could address another issue. As we understand it, the direction deals with funds from this House for parliamentary parties. However, the original direction suspended funds for both Sinn Fein and the Progressive Unionist party, which the Minister did not mention, at an Assembly level—although it was the decision of the Secretary of State. What happens to Assembly funds for parties that have not met the necessary standards according to the Independent Monitoring Commission and are in default? After all, the IMC report's strictures are addressed not only to Sinn Fein, but to the PUP. Indeed, paragraph 9.9 of the IMC's fifth report, recommends that

"the Secretary of State continues the financial measures in force in respect of the Progressive Unionist Party in the Northern Ireland Assembly."

Will the Secretary of State issue a further direction on that issue?

Mr. Hanson: At the moment, the Secretary of State is considering that aspect of the report in detail and a further announcement will be made once that consideration has taken place.

Mr. Robinson: I am grateful for that clarification, but the anomaly could still arise that the Secretary of State decides to cease funding Sinn Fein from Westminster, but permits Sinn Fein to be funded from Stormont. That would be inconsistent, so I am not sure why the Secretary of State dallies on the issue.

The Government attempted to bring the republican movement along by bringing it in to the political fold. They hoped that they could wean republicans off violence and criminality and that republicans would be so grateful that they would become new-born democrats. The reality, of course, has been very different: they have come into the fold, but they have brought their bad habits with them. They have not given up their past. They hold on to their weapons, continue with paramilitary activity, and still have the largest criminal empire in the whole of these islands. Those are the facts and to this date, nothing in connection with that behaviour has changed.

The IMC's fifth report makes it clear that the Provisional IRA is an active paramilitary organisation, that it is still engaged in all types of paramilitary and criminal activity, and that it has a high state of readiness for paramilitary action. It is in the light of that reality that the Government must look not just at this issue, but at a series of issues.

During the House's original debate on this issue, we argued that if the Government were serious in wanting to impose a penalty on Sinn Fein, they would have to consider a meaningful one. I find it difficult to think of any penalty that will have less impact on the republican movement than a fine of £100,000 or so. In just the past six months, this organisation has carried out a bank robbery, driving off with £26.5 million. It engages in ongoing racketeering, fuel smuggling and the sale of all manner of counterfeit goods. It has its operations along the border. It intimidates developers and builders, who have to pay it regularly. All that has gone on consistently. When I was a member of the Northern Ireland Affairs Committee, we gauged that some £10 million a year was probably coming in from such activity. These republicans also license drug dealers, whom they permit to sell drugs in their area, and they punish savagely those dealers who do not pay them for the right to sell drugs in their area.

So we are talking about organised crime of a type that we have never seen before in the United Kingdom. It is major business, and the Government's hope and expectation is that the lure of government places in a Northern Ireland Assembly might be sufficient to wean the republican movement away from this major business. Anybody who looked at what happened last December should have learned a lesson. Last December, we were negotiating with Her Majesty's Government, and having talks with the Government of the Irish Republic on matters pertaining to the relationship between Northern Ireland and the Irish Republic. Moreover, meetings were taking place principally between Sinn Fein and the Government of the Irish Republic, but also Her Majesty's Government.

While all that was going on and we were discussing in good faith how we might set up an Executive in Northern Ireland, the Sinn Fein leadership, the main participants in which are synonymous in their principles with the leadership of the IRA, were planning a bank heist. While they talked to Ministers about ending criminality, they were considering the details of their next criminal exploit. Does that not indicate something of the mindset of the organisation with which we are

[Mr. Robinson]

dealing today? It indicates clearly that these people's hope, expectation and intention—whatever the wording used on that occasion—was to give up certain elements of their paramilitary activity, but not those which allow them to keep control of their areas. A knee-capping here, an exiling there—they still want to be able to carry out such activities, to keep their rule imposed on the people in the Catholic enclaves. The one thing that they will never give up is their criminality.

The republicans do not consider themselves to be involved in criminality, as we know. According to their theology, they are the legitimate Government. As the Assembly Member for Foyle said, activities carried out in the name of that Government are legitimate, not criminal. To take one specific case, the McConville murder was therefore not considered to be a criminal event. The republican organisation feels that it has the legal authority to rule on the whole of the island of Ireland, and that everything that it does is therefore legitimate.

To deal with those people, the Minister must learn a new language—the language of republicanspeak. It is very different from what the facts or history of Ireland suggest.

The republicans' intention to maintain their criminal empire and paramilitary control of their areas will not be changed in any way by the paltry penalty imposed by the order. We need a root-and-branch punishment of the republican movement. If the Minister wants to impose a penalty, he must do so at every level of government.

In local government, councillors take an oath when they are elected that they will not engage in any activity that promotes a paramilitary organisation. I think that the republicans have about 120 councillors: each one promotes an organisation that is inextricably linked to paramilitary activity, and is therefore in breach of that pledge. No action has ever been taken against them under the law. We need effective legislation to ensure that there are financial penalties at all levels of government—local, Assembly, Westminster and European. After all, it is this House that pays the salaries of UK Members of the European Parliament.

If the Government want to be serious, they must act in the way that I have set out. If they do not do so, it will be clear that the order is merely a matter for public consumption, so that people think that the Government are doing something. In reality, however, it will have no impact on events.

Mr. Dodds: My hon. Friend is right to point out the derisory amount of the sanction to be imposed on Sinn Fein, and the lack of other sanctions. Does he agree that another major defect of the order and the proposed sanction is that it will run out after one year? After that, Sinn Fein will automatically regain its entitlement to the full payments. Would not it be far better to ensure that, once a sanction is applied, the Government must return to this House—and the other place—to gain approval for Sinn Fein receiving money in the future?

Mr. Robinson: That approach would be much more sensible. The House should have to make a determination, based on all the facts, as to whether funds should be given to that organisation.

So far, there has been no mention in the debate of the fact that Sinn Fein should not get the money in the first place. The Sinn Fein Members are not hon. Members in the way that the rest of us are, as they have never taken the Oath and so cannot take their seats.

Mr. Hanson: I thank the hon. Gentleman for giving way, but I want to make it clear that the order relates to Assembly allowances, and not to allowances in this House. The penalty of £120,000 applies to the Northern Ireland Assembly.

Mr. Robinson: The question to which we must return, then, is why the PUP is not covered by the order. Both parties are in the Assembly, and both were dealt with by the Government at the same time, in the first instance. The Government need to offer a better explanation of why the link has been broken in this respect.

Our argument is that the penalty should be imposed at all levels of government. The House should have a role in making a determination, based on the facts, about whether funds should be made available. That would be much better than the ritual of the Government seeking extensions to the provisions in the order.

During the last number of weeks—conveniently, it must be said, at the very cusp of the general election to this House—the leader of Sinn Fein-IRA indicated that he was calling on his friends and colleagues in the IRA to bring their activities to an end, or words to that effect. Conveniently, during the rest of the election campaign we were told that that was a powerful statement made by the president of Sinn Fein, that we should all warm to him as a result of it, that it had great promise and that there was cause for hope. The election, of course, is out of the way. A statement from the IRA responding to Mr. Adams's remarks has still not been made. According to the Prime Minister of the Irish Republic yesterday, it will be further delayed, and may come before the end of the summer.

I strongly endorse the words of my hon. Friend the Member for North Antrim. There is a tendency on the part of the Government, and an even greater tendency on the part of the fifth estate—our good friends in the media—to take every word that falls from the lips of republicans and indicate that this is something quite unique, quite exceptional, something to be applauded. Then, probably about six months later, they realise that actually there were out-clauses: the carefully crafted words used in the statement allowed the IRA to do something that they had not quite imagined in the first instance. May I, with my hon. Friend, urge the Government to treat any statement from the IRA with the maximum of caution? It is essential that the Government do not take any action based on a statement from Mr. Adams or the IRA. Promises will not cut the delf in Northern Ireland; delivery, and delivery only, will be able to convince people in Northern Ireland that real change has taken place.

There are three critical areas. The first is the decommissioning of weapons—weapons that have been used to kill and maim and threaten in Northern Ireland for generations. My hon. Friend the Member for North Antrim mentioned the attempt to kill my hon. Friend the Member for South Antrim (Dr. McCrea). There was equally an attempt to use those same guns to kill my

hon. Friend the Member for Belfast, North (Mr. Dodds). There are few on this side of the House who have not been threatened or attacked by the Provisional IRA. These are vital issues—life-and-death issues. These are not cold, inanimate objects that people can sign away and deal with in a business-like fashion. They are weapons that have been used to kill and have left devastation behind them, and when we are dealing with this issue, the people out there need to be convinced that the weapons have gone, and gone for good.

The leader of the Ulster Unionist party thought it was sufficient to have some activity taking place in the dark, in a hole in the corner, and for General de Chastelain to come along and tell us that something had happened—although he was unable to tell us how anything had been decommissioned, unable to tell us what had been decomissioned, and unable to give us an inventory of what had been destroyed, if it had been destroyed, or to tell us where it had been destroyed. We were all supposed to be convinced that the IRA had done something of real import on the basis of that report.

If people are to be convinced, they need to have all of the weapons completely destroyed. They need it to be done in a way that is obviously, from the point of view of the Independent International Commission on Decommissioning, done in a verifiable way, but we need a transparency that we have not had to date—a transparency that we have argued must include the presence of witnesses and the existence of photographs to show every stage of that operation. That is an essential component if the IRA wants to convince people that it has turned over a new leaf and that the weapons are gone for good.

People talk about the requirement to get the IRA quickly into government, as we heard yesterday; they say that there should be no vacuum. However, there must be an absolute requirement that nothing must happen until people are convinced that the republican movement has changed. It must change by handing over its weapons to be destroyed in a way that convinces people. Unless it does so, it will take longer for people to be convinced, and it should be clearly warned about that.

The second issue is paramilitary activity. Even as we speak, the IRA's paramilitary structures continue. The IMC report refers to the training that is still going on; young people are being trained in the use of firearms in what we are told is a peacetime situation. The report states that there have been new discoveries of ammunition, which indicates that new weaponry has been brought into the Province—hardly the action of an organisation that has moved into a new mode of entirely and exclusively peaceful means. Obviously, the IRA must end the exiling of people from Northern Ireland and the targeting of members of the security forces and key people in Northern Ireland. The requirement is that it should dismantle and disband its whole organisation. That is what will be needed to convince people in Northern Ireland that the IRA has gone, and gone for good.

The third issue is criminality. When we met the IMC, its members made it clear that they would need six months to assess properly whether criminality had come to an end. It is essential that the IMC is given all the time it needs so that it can report that its work is at an end and criminality is a thing of the past. However, we shall not use only the IMC as our judge as to whether that has happened; the people whom we represent are better placed to tell us about the activities of republicans locally.

In conclusion, although we shall support the measure, we believe that it is inadequate and less effective than it could be. If the Government want progress in Northern Ireland, the real way to do it is not to try to bring Sinn Fein along by enticements and concessions, but for everybody else to move on and force Sinn Fein to catch up. The surest way to get movement from the republican movement is to show its members that they no longer have a veto and that they cannot hold back the process of democracy in Northern Ireland. When the rest of the democratic world moves on, Sinn Fein will have to follow and it will do so on the terms of the democratic world, rather than the democratic world making concessions to bring Sinn Fein on board.

5.28 pm

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): This is my first opportunity, apart from putting the occasional question, to address the House since the general election. I am delighted to have been returned by the electorate of my constituency for the first time as a Democratic Unionist. I had the honour to be elected for my party. There were some people who said that we could not do it, that the electorate would turn against me for stealing their votes, but the electorate gave their response. I am delighted to have their endorsement once again, and to be part of a team representing the Unionist community, and all the people of Northern Ireland, in the House of Commons.

When I was first elected in 1997, I was part of an Ulster Unionist party team of 10 Members of Parliament. Today, that team is reduced to one. There are lessons to be drawn from that, in so far as they reflect the shift in opinion that has taken place in the Unionist community. That is important when we are considering the issues before the House. Whereas back in 1998 there might have been some tolerance within the Unionist community and latitude given to Sinn Fein-IRA, that is not the view of the overwhelming majority of Unionists today.

It is worth bearing in mind that the IRA's first ceasefire was in 1994. Here we are in June 2005 and we are reflecting on, among other things, an IMC report that, in paragraph 2.13, says:

> "We conclude therefore that PIRA remains a highly active organisation. We note that in November 2004 two men were convicted of PIRA membership at the Special Criminal Court in Dublin, and a further five in February of this year. We believe that PIRA is at present determined to maintain its effectiveness, both in terms of organised crime, control in republican areas, and the potential for terrorism."

We are 11 years on from the first ceasefire, but that is the report of an independent commission on the Provisional IRA.

We were told that there would be a period of transition; we were told that we had to be patient and that, in time, we would see the fruits of the peace process as it was described. It has been a long time but now even media commentators take the view that the transition has to be completed now and that the time for flexibility, latitude and transition is gone. That is the reality.

[Mr. Jeffrey M. Donaldson]

We should not be here today debating further sanctions against an organisation that has effectively been given a veto by the Government over political progress in Northern Ireland. I, like other hon. Members on this Bench, am a Member of the Northern Ireland Assembly, but I cannot exercise the mandate in that Assembly that was given to me by the people of my constituency because it is suspended on the ground that the Provisional IRA was engaging in the kind of terrorist activity reflected in the IMC report.The people whom we represent are denied local accountable government in Northern Ireland because of the activities of the Provisional IRA.

We are all sitting around. Day in and day out, we wait for this statement to come from the IRA and we are told that there cannot be any progress until the IRA makes a statement. That effectively means that the army council of the IRA determines the pace of political progress in Northern Ireland. The rest of us have to sit on our hands and wait for P. O'Neill to deliver a statement, and then things will begin to happen. That is the reality of where politics is in Northern Ireland today, 11 years on from the first IRA ceasefire.That is simply not good enough. We cannot in a democracy allow a terrorist organisation to dictate the political agenda.

Dr. McCrea: Is that not disgusting given that the Justice Minister of a foreign jurisdiction acknowledges that two of the leading members of that terrorist organisation, Martin McGuinness and Gerry Adams, are members of the army council? Instead of parading them in and out of Downing street, surely justice demands that they be paraded before a court and found guilty of crimes.

Mr. Donaldson: I thank my hon. Friend for his intervention. I am delighted to see him back in the House again representing South Antrim. I wish him many years in that position. He is absolutely right. It is absurd that two Members of this House refuse to take their seats. They are Members of Parliament and Members of the Assembly, but also senior members of the IRA army council. They are feted by this Government and the Irish Government as some kind of statesmen. The Irish Prime Minister tells us that he has met them on five occasions in recent times to discuss the political process in Northern Ireland.

Negotiations seemed to be going on during the election. The Prime Minister's chief of staff, Jonathan Powell, flew into Belfast to hold secret talks with the leadership of Sinn Fein-IRA. However, all the time my party, which represents the majority in Northern Ireland and is the largest political party in Northern Ireland, is constantly told that it cannot put forward a democratic way of moving the political process ahead.

The issue was last debated in the House on 22 February, when the then Secretary of State, the right hon. Member for Torfaen (Mr. Murphy), said that suggestions had been made in some quarters that the Assembly should be restored and that if it failed to take action to exclude Sinn Fein, he should take action himself using the powers available to him to do that. It is in the gift of the Government to deal with the issue and move the political process forward in Northern Ireland, so I simply ask why they are not doing so.

David Simpson (Upper Bann) (DUP): I am sure that my hon. Friend will agree that there can be no fudging whatsoever on the whole decommissioning issue. Will he join me in condemning the targeting and intimidation of members of the Royal Irish Regiment and their families, and of members of the Police Service of Northern Ireland and their families? Not a month goes past in my constituency without members of the security forces, along with their families, being intimidated. Their children cannot go into shops, or go to school in different areas.

Mr. Donaldson: I thank my hon. Friend the Member for Upper Bann (David Simpson)—it has been a while since I have been able to make that particular comment. He is of course absolutely right. During Northern Ireland questions yesterday I raised the way in which the Royal Irish Regiment Home Service battalions are being treated. There is uncertainty about their future and their morale is low. They are being kept in the dark, yet at the same time their members are targeted and their members' families are intimidated. I understand the difficulties involved in thinking ahead about the future deployment of the regiment and the Home Service battalions, but will the Minister understand at a human level the difficulty of the situation for the soldiers and their families because uncertainty surrounds them, yet they still face threats and intimidation? At the same time, they watch the political process and see how the people responsible for such threats and intimidation continue to be treated as though they are democrats.

It is time to remove the veto that the IRA has over the political process. I am told that the statement we were promised will be delayed until perhaps August—when the parade season has ended. There is a desire to see how the summer goes before the statement is made, so we will have yet further weeks and months of delay and procrastination. Why does one have to delay to become a democrat? One either is a democrat, or one is not, but on the basis of the IMC report, Sinn Fein-IRA clearly are not democratic in their entirety or committed to exclusively peaceful means. I tell the Minister that the Secretary of State should take the initiative. He should recall the Assembly. The Assembly should then move to exclude Sinn Fein, but if it is not excluded, he should use his powers to do that. The Social Democratic and Labour party is absent from the House today, and also absent is its courage to step forward and enter a voluntary coalition with the rest of the democratic parties. Perhaps it is time to put things up to that party as well.

I want to touch on two other issues on the subject of the financial sanctions, which the Minister has announced will be continued. Between 1999 and 2004, some £14 million was given to ex-prisoners' groups in Northern Ireland through funding for various projects. Now that is a lot of money. The majority of it has gone to republican ex-prisoners groups. I could list those, but I am afraid that my grasp of the Irish language would fail me. Suffice it to say, we are talking about a great deal of public money going into ex-prisoners groups.

Contrast that with the treatment of some of the victims groups. Families Acting for Innocent Relatives is based in south Armagh. It received a letter yesterday from the Office of the First and Deputy First Minister saying that its application for peace and reconciliation

funding for its memorial centre in south Armagh had been rejected. FAIR was looking for £200,000 of capital funding for the purchase of that centre, which provides valuable support to the victims of terrorism.

South Armagh has been described as bandit country. It was a hotbed of IRA activity. Many people were murdered there. I think of atrocities such as Kingsmill, where 10 Protestant workers were lined up against a minibus and shot down in cold blood, and the attacks on Tullyvallen Orange hall and Darkley gospel hall. I could go on. There is a litany of atrocities carried out by the IRA in south Armagh. FAIR is a victims group, representing a large number of those victims and their families. It applied for £200,000 of capital funding for a project for a memorial centre and it was turned down. Yet £14 million has gone to ex-prisoners groups since 1999. Surely there is an inequity that the Government need to consider.

If the Government are in the business of applying financial sanctions and are not prepared to fund the victims, they should have the decency to cut off the funding to the ex-prisoners groups. When we consider some of the activities covered by the IMC report, we find that the people on the front line of those riotous situations who order the beatings and shootings are often the people who were released from prison and who are benefiting from the funding from the ex-prisoners groups.

My final point is on released prisoners and sanctions. When the Government included in the Belfast agreement the provision for the early release of terrorist prisoners in Northern Ireland, it was an emotive issue. We deeply opposed it. Provisions were built into the Northern Ireland (Sentences) Act 1998 which enabled the Sentence Review Commission, established by the Act, to review the release of any prisoner who was deemed to represent a threat to public safety.

The Minister may be aware of the recent situation involving one of those released prisoners, Sean Kelly—the infamous Shankill bomber—who, along with his accomplice Thomas Begley, murdered nine innocent people on the Shankill road. When Kelly was imprisoned, the judge said that he should spend the rest of his life in prison. He was convicted of nine murders and given nine life sentences, but he was released after just seven years in prison under the terms of the Belfast agreement. That is less than one year in prison for each life Kelly destroyed. Yet on three occasions, he has been pictured in the Ardoyne at a riotous situation. I am not going to go into the detail of what Kelly may or may not have been doing. I simply pose the question to the Minister: has the Secretary of State, using his statutory power, referred the case of Sean Kelly to the Sentence Review Commission?

Mr. Dodds: The Ardoyne is in my constituency. My hon. Friend is right to make the valid and correct point about that infamous IRA killer, who only two weeks ago was pictured in the front line of a riot when attacks were made on Protestant homes in the Twaddell avenue area. It is essential that the Minister addresses that as a matter of urgency and provides reassurance to my constituents in particular.

Mr. Donaldson: I thank my hon. Friend for his intervention. He is absolutely right, and he will know at first hand the sense of deep frustration felt by his constituents in north Belfast, particularly on the Shankill road, about the manner in which Kelly continues to be present at riotous situations while the Government turn a blind eye.

I contrast that with the case of Ken Barrett, who was recently convicted of the murder of the solicitor Pat Finucane. Barrett is alleged to have been one of the Ulster Defence Association team that murdered Pat Finucane—the Ulster Freedom Fighters team. Recently, Barrett applied for early release under the terms of the Belfast agreement, as his crime had been committed before 10 April 1998. He was therefore eligible to apply for early release. His application was rejected by the Sentence Review Commission on the basis that he was a danger to the public. I simply pose to the Minister, and through him to the Secretary of State, this question: how is Ken Barrett more of a danger to the public than Sean Kelly? I think that we are entitled to an honest answer to that question.

I am not here today arguing for the release of any prisoner: let me make that absolutely clear. It is the double standards that are the issue. If somebody murders nine Protestants on the Shankill road, they walk free; if somebody murders a Roman Catholic solicitor in Belfast, they stay in prison. Is Pat Finucane's life worth more than that of one of the children whom Sean Kelly murdered in that fish shop on the Shankill road? I do not think that the people of the Shankill would accept that the life of one of those children whom he murdered is any less valuable than that of Pat Finucane, so why do the Government act as they do, through the Sentence Review Commission, which is supposed to be independent? We just wonder why it happens to be that the people who are returned to prison or stay there happen to be those who murdered republicans, and that those who murdered Protestants are those who are set free—and when they are free, they seem to be able to engage in whatever activity they wish, without any sanction. I hope that the Minister will address those issues.

5.47 pm

Mr. Hanson: With the leave of the House, I shall respond to the helpful comments that hon. Members from all parts of the House have made today.

First, I wish to be clear on the direction, which does indeed remove Sinn Fein's entitlement to funding under the financial assistance for political parties scheme. That is the funding that is available to parties in the Northern Ireland Assembly, and the purpose of the direction is to reflect the removal of the funds available in the Northern Ireland Assembly.

Despite many of the comments made by hon. Members, there is a general welcome for the direction. I welcome the support of the hon. Member for North Antrim (Rev. Ian Paisley), who I know has had to leave—I understand the reasons why that is the case—and of the hon. Member for Aylesbury (Mr. Lidington), as well as from other hon. Members. It is clear that the IMC has reached a measured conclusion about the level of Provisional IRA activity, which has led to the issue of the direction and to its being recommended to the Secretary of State. The Secretary of State has accepted that recommendation and accepted the IMC's report in its entirety, which is why the motion is before us.

[Mr. Hanson]

Much of what hon. Members have said obviously expresses the wish to go further than the direction, but we are implementing the wishes of the IMC in its recommendations to the Secretary of State. There is also clear agreement in all parts of the House with regard to the need for an end to paramilitary and criminal activity. I emphasise that the objective of the Government in taking forward the peace process—indeed, it is a precondition for continuing the peace process—is that that paramilitary and criminal activity ceases. The Government and all hon. Members await any statement from the Provisional IRA to assist in that process, if and when it comes, and I know that all hon. Members agree on that objective.

I am grateful to the hon. Member for Aylesbury for his support on the objectives in the IMC report and on ending criminal and paramilitary activity. He has indicated that he wants to examine the question of the proscription of the IRA, which we must take one step at a time. We have examined paramilitary and criminal activity, and we have set out Government policy on those issues.

The hon. Member for Montgomeryshire (Lembit Öpik), who spoke for the Liberals, mentioned David Ford's 10-point plan. I intend to meet Mr. Ford very shortly, and I have no doubt that we will discuss the 10 points in detail.

In addition to his remarks about paramilitary and criminal activity, which I fully understand, I share the view of the hon. Member for North Antrim about the bravery of the McCartney sisters, who have had the courage to stand up for their beliefs in difficult circumstances over the past few months. As I have said, all hon. Members await with interest an IRA statement on those matters.

The hon. Members for Belfast, East (Mr. Robinson) and for Belfast, North (Mr. Dodds) have indicated their concern about the penalty for the Provisional IRA. Hon. Members know that a £120,000 penalty will be imposed in this financial year as a result of the IMC report should this House approve the motion tonight. Under current legislation, 12 months is the maximum period for which the Government can impose the directive, but we will examine that issue, and if criminal and paramilitary activity continues further orders cannot be ruled out, if the IMC recommends them. A penalty of £120,000 is severe and it will hinder Sinn Fein's operations in the Assembly.

The hon. Member for Lagan Valley (Mr. Donaldson) said that he is pleased to be back in the House. May I say that we are all pleased to be back in the House? I also welcome the hon. Members for Upper Bann (David Simpson) and for South Antrim (Dr. McCrea) to the House—I know that the hon. Member for South Antrim has returned to the House after an absence of some years, and I know what a pleasure it is.

We hope to make progress on some of the issues mentioned by the hon. Member for Lagan Valley. I cannot comment on the cases that he has mentioned this evening involving Sean Kelly and Ken Barrett, but I recognise the points that he has made. However, it is not for me to comment on those cases this evening because they fall outside the scope of the directive.

I want to emphasise to hon. Members on both sides of the House that the Government are committed to taking the peace process forward, and we are committed to ending paramilitary and criminal activity in Northern Ireland. That is the basis under which this House is considering the order this evening, and that is the reason why we have accepted the IMC recommendation. The Provisional IRA has been identified as having a responsibility and an involvement in serious incidents of a criminal and paramilitary nature in Northern Ireland, which I say more in sorrow than in anger.

That is acceptable to neither hon. Members on both sides of the House or the Government, which is why we have introduced the order tonight. I want to see the order passed this evening as it has been in another place. We want to see a complete end to paramilitary and criminal activity in order to achieve the objective of the hon. Members for Belfast, North, for Lagan Valley and for Belfast, East—the restoration of the Assembly so that people in Northern Ireland can make decisions in their own communities on behalf of their own communities. As a direct rule Minister, dealing with two Departments in Northern Ireland, I am acutely aware of that need.

I give hon. Members the assurance that my right hon. Friends the Secretary of State, the Prime Minister, the Government team and I are committed to trying to restore the Assembly at an early date, subject to a peaceful conclusion and an end to paramilitary and criminal activities in Northern Ireland. We all share that objective and that is the reason for tabling the motion today. The IMC has recognised that paramilitary and criminal activity continues and we cannot therefore support Sinn Fein in the Assembly.

I hope that I have answered some of points that were made in the short time that I had. Time is pressing. I commend the motion and I hope that we can agree to it this evening to achieve the objectives that we all share.

Question put and agreed to.

Resolved,

That the direction given by the Secretary of State under section 51B(2) of the Northern Ireland Act 1998 on 1st April 2005, a copy of which was laid before this House on 4th April, in the last Session of Parliament, be approved.

NORTHERN IRELAND GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 116 (Northern Ireland Grand Committee (sittings)),

That—

(1) the draft Budget (No. 2) (Northern Ireland) Order 2005 be referred to the Northern Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Wednesday 29th June at half past Two o'clock; and

(3) at that sitting—

(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the instrument referred to it under paragraph (1) above; and

(b) at the conclusion of those proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)).—*[Mr. Coaker.]*

Helen Wilkinson

Motion made and Question proposed, That this House do now adjourn.—*[Mr. Coaker.]*

5.55 pm

Mr. Paul Goodman (Wycombe) (Con): I am extremely grateful to Mr. Speaker for granting me this Adjournment debate, in which I want to tell the story to date of my constituent, Helen Wilkinson, and her medical records.

The story raises profound issues in relation to civil liberties, especially privacy and confidentiality. Before I tell it, I want to set out for hon. Members' benefit only one of the possibilities that it raises. I want hon. Members or anyone who reads the debate to imagine that they have a medical problem, such as a sexual dysfunction problem. The person concerned goes to see a doctor, who enters notes about the problem on his or her computer. The problem is successfully treated. Years later, a senior receptionist at another practice meets the recovered patient socially. The receptionist thinks, "I wouldn't mind finding out a bit more about this person." The next day, the receptionist—unethically and illegally—accesses the recovered patient's doctor's notes, which are held on a national NHS computer database and ferrets out private and confidential details, to whatever end, without, of course, the recovered patient knowing anything about the breach of privacy.

I could suggest myriad other disturbing possibilities that the story of Helen Wilkinson raises. I sketched out one simply to give a flavour of them. Without further ado, I shall tell Helen's story so far.

Helen works as a national health service practice manager. Indeed, she has worked in the NHS for some 20 years. So when it comes to the NHS, NHS offices, staff, patients and records, it can fairly be said that she knows what she is talking about.

Some time ago, Helen discovered that the University College London Hospitals trust had sent computer records of every hospital medical treatment that she had ever received to a private company, McKesson, which holds a mass of NHS records. Those records are then passed on, as Helen's were, to computer systems used by the NHS. Helen's records thus became available to several NHS bodies, such as the Thames Valley strategic health authority, Wycombe primary care trust and so on.

Helen asked to see her records under the Data Protection Act 1998, as she is fully entitled to do, and she discovered when she examined them that there was a serious mistake in them. She was effectively and, I repeat, mistakenly, registered as an alcoholic. Helen resolved, given her anger about the mistake, her concern about the many people who have access to even the correct parts of her record, and her anxiety about the even larger number who might well have access to it as the NHS computerisation programme proceeds, that she wanted her records removed from NHS systems altogether.

It is important to explain that, as matters stand, NHS patients have the right to object to data about them being held in a form that identifies them, but only when that causes or is likely to cause substantial or unwarranted damage or distress. It is not clear, if those data are held by a number of NHS bodies, as Helen's are, who decides whether damage or distress is caused or is likely to be caused.

I wrote to the then Minister responsible, the right hon. Member for Barrow and Furness (Mr. Hutton), last autumn.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Cawsey.]*

Mr. Goodman: I asked the right hon. Member for Barrow and Furness to grant Helen's request. I received a reply from him dated 5 November that explained:

"The removal of patients from the systems that Ms Wilkinson has identified is neither simple nor straightforward".

It added that the ethics advisory group of the Care Records Development Board was considering the matter.

Helen then took a drastic decision, but the only proper decision that she believed was open to her. She decided to withdraw from the NHS as a patient altogether so that her records—including, of course, the mistaken registration of her as an alcoholic—could be removed from NHS computer systems. So, in summary, my constituent argues that she has had to withdraw from the NHS to protect her privacy.

I want to ask the Minister some questions that relate specifically to my constituent. On the "Today" programme earlier this year, her predecessor, the right hon. Member for Barrow and Furness, said in relation to my constituent:

"It must be possible to correct this"—

namely, the mistake in Helen's records. That Minister went on to say:

"There is not a problem here."

So, may I ask this Minister whether it would have been possible to correct the mistake, considering the large number of NHS bodies to which the mistaken information was distributed, as so many different bodies held it?

The then Minister also said on the same programme:

"Mrs. Wilkinson does not have to have a national care record if she does not want one."

May I ask this Minister whether that is correct? How can it be correct when a patient has the right to have such records removed only when they are judged to be causing, or to be likely to cause, that patient substantial and unwarranted damage or distress?

In a further letter to me dated 5 May, the right hon. Member for Barrow and Furness said:

"I have directed officials to ensure that her data"—

that is, Helen's data—

"is removed from those systems for which the Department of Health is legally responsible as data controller".

May I ask the Minister whether that has happened yet? If not, by what date will it happen?

The former Minister wrote to me in a letter dated 30 November:

"While your constituent may have opted not to seek NHS care, NHS services have not been withheld".

[Mr. Goodman]

On that point, can this Minister clarify what would happen were my constituent to be, for example, taken suddenly into hospital? Would any notes made go into NHS computer systems? If so, would my constituent have to leave the NHS, so to speak, all over again to get any new records removed from those systems—not that she would have taken any decision to re-enter the NHS in the first place?

I want to discuss some wider issues raised by Helen's story, which I tried to illustrate at the start of my speech. I said that Helen's story raises profound issues in relation to civil liberties—in particular, privacy and confidentiality. It does so partly because her evolving story is bound up with the evolving story of the NHS computerisation programme.

Helen's records, like those of others, are held partly on paper and partly on computer. Obviously, not all NHS staff throughout Britain have access to the paper records and not all NHS bodies nationwide have access by means of their computer systems to the computer systems of other NHS bodies.

That situation will gradually change. As I understand it, the last seven years-worth of records held on the NHS-wide clearing service, or NWCS, which is a hospital computer system, and records held on GP computer systems will eventually end up on the NHS care record service, or NCRS, into which information from NHS Direct will also flow. At this point, it is important to grasp that the Care Records Development Board, to which I referred earlier, is recommending that patients should, in future, as the fully functioning NCRS comes on-stream, not be able to opt out of having a national care record. That is indeed a potential challenge to privacy and confidentiality, with serious civil liberties implications.

Other NHS patients will be as concerned as Helen—some media discussion on the matter has already occurred—about the confidentiality of their records, if those records end up on a national system that a large number of NHS bodies and individuals, including social workers for example, can access. After all, those records will hold data set down by nurses, health visitors, midwives, physiotherapists, psychologists, laboratory staff, sexually transmitted disease and addiction workers, ambulance crews and so forth. It is a long list. Those records will contain information about such sensitive matters as sexuality, ethnicity, genetics, mental health, intellectual impairment, illicit drug use, imprisonment, abortion, contraception, impotence, paternity, infertility, HIV, personal relationships, domestic violence, rape and abuse in childhood—again, a long list.

The right hon. Member for Barrow and Furness set out in his letter to me, dated 4 May, apparent safeguards, which will, in future, he claimed, protect patient privacy and confidentiality. He set those out under certain headings such as legitimate relationships, role-based access control, the patient's sealed envelope, opting out of information sharing, stop noting, and so on. I do not have time, and perhaps it is not my function, to explain to the House what those safeguards are in detail, but I would like to ask the Minister some questions about them, and perhaps if she does not have time to answer all of them tonight, she might indicate that she would be willing to write to me in due course.

The Parliamentary Under-Secretary of State for Health (Caroline Flint) *indicated assent.*

Mr. Goodman: I see the Minister nodding, which indicates that she will write to me if she has to do so.

Will there be the computer facility to withhold part of an individual's record from NCRS, as I have seen it argued that there will be no such facility? What trials, if any, of the envelope software in clinical settings have taken place, and what did they find? In his letter to me, the right hon. Member for Barrow and Furness said that in certain circumstances, health professionals will be able to break the envelope seal. He wrote that

"this action can only be justified in specific circumstances, is audited and can be notified to the patient".

Who, therefore, will decide whether the patient is notified, and how?

In his letter to me, the right hon. Member for Barrow and Furness said that, in some cases,

"care professionals can themselves create a legitimate relationship".

Under what circumstances precisely can they do so? Is my constituent correct in asserting to me that third parties will be able to access a patient's data without that patient having the right to know whether third parties have accessed their data and whom those third parties were? The story that I sketched out at the beginning was an illustration of the claim that my constituent has made to me.

What assessment will the Department make of the effect on the nation's health of significant numbers of people, potentially, withholding important information from their doctors or from other health professionals because of concerns about confidentiality? What assessment will it make of the possibility of hackers altering data held on the NCRS and falsifying medical or other records? Will the NCRS and the proposed identity cards database be linked and, if so, under what circumstances is it proposed that the police or other agencies will have access to the records held on NCRS? Finally, what assessment of the clinical need for an NCRS has the Department made?

In conclusion, I recognise that serious issues about patient confidentiality and privacy arise under the current part-computer, part-pen-and-ink system, so the concerns that I raise are not entirely new. I acknowledge that a national computer system might, in some circumstances, help treat patients quickly who would otherwise not be treated so quickly. I realise that Governments of any colour have a difficult task in striking the right balance between, say, developing patient treatment on the one hand and protecting patient privacy on the other. Above all, I concede that new technology itself throws up new challenges to confidentiality and privacy.

I remain concerned that there are, in respect of the NCRS and as my hon. Friend the shadow health Secretary said, "serious unresolved issues" on patient confidentiality. I have tried to raise some of those issues in the context of the story, which is still unfolding, of my constituent, Helen Wilkinson.

6.10 pm

The Parliamentary Under-Secretary of State for Health (Caroline Flint): I congratulate the hon. Member for Wycombe (Mr. Goodman) on securing the Adjournment debate today. His purpose has been to do what he can, quite properly as a constituency Member, to voice the legitimate concerns of his constituent. I fully understand those concerns. In many areas of life—whether in relation to banking, criminal or health records, for example—there is a requirement on the Government and the agencies with which they work to ensure that they maintain public confidence in the development of new technologies.

I am sure that the hon. Gentleman would accept that the best intentions lie behind these new developments. We want to ensure that people can get the best possible health care, and it is important to recognise that health care can be offered in a number of different environments, which involve different sorts of health professionals in both primary and secondary care. I hope that he agrees that our intentions are right, but that there is an important task for us all in ensuring that we have the public's confidence in what we are trying to develop.

I want to put on record my sympathy, which I am sure is shared by everyone who has heard about the distress experienced by Ms Wilkinson, for her distress at finding an embarrassing error in the record of her NHS treatment. I am very pleased to be able to confirm that that error has now been expunged and that we have respected Ms Wilkinson's further request that all her patient data be removed from the existing national database, although we have certain reservations about the consequences of doing so.

We recognise that there will be some people—Ms Wilkinson is, I think, the first, but no doubt there will be others—who feel so strongly about what they see as threats to the confidentiality of their personal health information that they will seek to remove any possibility of this information being shared within the NHS. Let me make it clear, however, that we do not envisage any circumstances in which patients who choose to have some or all of their records deleted will be "deregistered" from the NHS or otherwise denied NHS care against their wishes. That is an important point in the light of what the hon. Member for Wycombe said in his speech this evening.

What we cannot do, of course, is provide people who do not wish to be part of the new joined-up care records system with the benefits that an electronic record will provide. I would now like to focus on the new system of electronic records that we are in the process of introducing through the national programme for information technology, and the benefits that it will bring. In doing so, I hope to touch on some of the concerns that the hon. Gentleman has raised. If I cannot respond in full now, I shall certainly write to him in due course.

Some health records are already held on computers, but much—I would suggest too much—is still kept on paper. Records on paper can present challenges in respect of security of information. The shortcomings of the NHS, as it continues to depend in the 21st century on record-keeping and communication systems invented in the 19th century, are all too transparent. Records are not always available to staff providing care; handwritten entries in the record may be difficult to read; and important information may be missing. Patients themselves are often inconvenienced or put in a difficult position by having to tell staff the same information over and over again. Ms Wilkinson's distressing experience and the embarrassment that it caused her highlight the need for improvement.

We have committed quite unprecedented sums of taxpayers' money—£6.2 billion over last year and the next nine years—to revolutionise the way health information is accessed and shared. The key reasons are that electronic records and clinical communications will improve the safety and quality of care, underpin choice for patients, and increase the productive capacity of NHS clinicians and staff, potentially saving huge sums in unnecessary treatment and wasteful litigation costs. I think it will also help us to build a patient-led NHS, give us opportunities to consider how we can better safeguard information and give patients rights relating to it, and—this is important—create mechanisms to prevent some of the scenarios described by the hon. Gentleman. It will deal with questions of who will and will not have access to the information, and give patients some choice about who those people should be. It should also allow for electronic identification of people who may gain access to the system when they have no right to do so. That is important in any system involving information, whether it is held on paper or electronically.

The new system will give health care professionals secure access to patient information, and the means to update a patient's care record where and when that is needed. Errors will thus be more easily identified and corrected. From the outset, the system will hold records on an individual's care in a national computer system so that wherever care is sought, health care professionals can have access to the most up-to-date information.

The hon. Gentleman opened his speech with an example of what might happen. A receptionist might meet someone at a party, then go back to the practice and try to gain access to the person's records. I am informed, and I believe, that access rights will not enable those who are not involved in the provision of care to see records. Unauthorised access will be marked on the system, and therefore subject to audit. That is one of the opportunities granted to us by an electronic system.

We have provided the most stringent safeguards for security and confidentiality. We hope that anyone who is concerned about information will be reassured by them. The new system will allow patients to determine whether information recorded in one organisation can be seen elsewhere in the NHS: it will be their choice. Even when patients permit such access, only those involved in their care will have access to their records or to information that identifies them, and they will see only the parts of the record that are needed to inform care. That answers some of the hon. Gentleman's points about the whole health record, and about the possibility that some people might have access to information that

[Caroline Flint]

was not appropriate. The system is designed to tackle that. Everyone who may have access will be authorised appropriately, and will need a smart card as well as a password. Crucially, the system will register the identity of everyone who looks at the records. That is important as a safeguard and as an audit trail to check that unauthorised access is not being allowed.

The way in which the new system protects patients' interests is explained in the care record guarantee published by my noble Friend Lord Warner on 25 May. Before the NHS care records service becomes operational, it will be made available to every household in the country. The guarantee makes 12 commitments to patients on their records, relating to matters such as access to records for NHS staff and how it will be limited. Patients will be able to block access to parts of their records to prevent them from being shared by anyone in the NHS except in an emergency. They will also be able to prevent their records from being seen by anyone other than the NHS organisations that recorded the information, although they will have to accept that that may sometimes affect the quality of care—which, again, is part of engaging patients in their care in the first place. Identifiable patient information will not be shared with any organisation outside the NHS unless patients give consent, the law requires disclosure, or there is evidence that failure to disclose the information might put others at risk. Child protection cases are an example of that.

Mr. Goodman: The Minister spoke of an audit trail, and the possibility of tracing the details of anyone who has looked at a patient's records. Will patients have an automatic right to know who has been looking at their records?

Caroline Flint: I understand that they will. The hon. Gentleman referred to a sealed envelope. I understand that the sealed envelope will be opened only when health professionals are convinced that not doing so would put the patient's health at risk. The Caldicott guardian, who is a senior clinician in a trust responsible for confidentiality, will decide in those circumstances if the patient needs to be informed, but patients can ask at any time to know who has looked at their record.

The right to have inaccurate data rectified or erased, or to have any concerns about the processing of data seriously considered, is enshrined in statute. We are currently considering how such concerns can be practically addressed. We recognise that a transparent process needs to be established for people with concerns, and clear and applicable criteria for dealing with requests. It is not a simple matter, as there are significant medico-legal implications in deleting health information, even where it is incorrect, if someone has relied on it to make a decision. Part of the reason for that, as I am sure the hon. Gentleman will understand, is to protect the patient from people who might want to change records that could have implications in the future if the patient wanted to complain about their treatment or about how they were treated in the health service.

I also need to make the important point that, should people choose not to be part of the joined-up care records system, that will not only constrain how the NHS can help them but prevent the NHS from learning and improving on how it manages the care of others with similar conditions. That is not in order for people to know who the individual is, but to look at the case management of people with serious illnesses and diseases. We are determined to engage the public in understanding the benefits, both personal and system-wide, of the electronic care record and the way in which it will lead to a more efficient NHS, improve the quality of care and increase choice. That is why we published the care record guarantee.

I hope that my remarks will be of some assistance to the hon. Gentleman, to whom I will reply on any matters that I have been unable to deal with. I also hope that what I have said tonight has been a real opportunity to outline, in a public forum, some of the reasons why we are moving in this direction and how seriously we take the issues of confidentiality in the new system.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes past Six o'clock.

House of Commons

Monday 20 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Pension Credit

1. **Adam Afriyie** (Windsor) (Con): What assessment he has made of the impact of pension credit on the private pension and savings industry. [5073]

5. **Mr. David Amess** (Southend, West) (Con): What his assessment is of the impact of pension credit on incentives to save. [5077]

The Secretary of State for Work and Pensions (Mr. David Blunkett): The statistics that we are publishing today show that those in retirement have benefited to the tune of 2.7 million households in receipt of pension credit. That has lifted millions of people out of poverty in retirement and ensured, through the savings credit, that those who have shown thrift and saved above the basic pension level are not damaged in the way that otherwise would be the case. It is precisely because of the complications in relation to avoiding pensioner poverty in years to come that we established Adair Turner's commission and why we have appealed to everyone to join positively in the dialogue that we are having across the country to find a consensus to ensure that, while the pension credit helps to lift people now, they in turn will be able to invest for their own salvation in the years to come.

Adam Afriyie: I thank the Secretary of State for a long answer to a straightforward question. Some 13 per cent. of the population of Windsor are above the age of 75, and I was alarmed to discover at a recent lunch at Age Concern in Dedworth that none of the people to whom I spoke were claiming their full means-tested benefits, largely because they found the forms complex, intrusive and stressful. First, will the Secretary of Secretary tell us how many pensioners fail to claim their full credit? Secondly, will he apologise to pensioners for making the system so complicated?

Mr. Blunkett: I thank the hon. Gentleman very much and welcome his long supplementary question—we are all failed in the House, one way or another, Mr. Speaker. The people who have benefited most from the pension credit are women. Some 90 per cent. of single women over retirement age receive the pension credit because of the failure in the past to recognise the change in demography and in working and social patterns and, of course, the opt-out from national insurance contributions. I suggest that, in the hon. Gentleman's constituency, it would be much better to go out and advocate that people take up their right—it is a right—than to try to blame the Government for the fact that people are not taking up an option that has, over the past eight years, raised the basic pension entitlement from £62 to the new pension credit entitlement of £109.45. That is a tremendous achievement, and we should build on it.

Mr. Amess: Although I might admire the Secretary of State's presentation of his case, surely he realises that he is losing all credibility in this matter when 1.5 million people who should take up the benefit do not do so, when the Minister for Pensions Reform was barracked by the pensioners parliament and when, finally, the Pensions Commission's report says that means-tested benefits are a positive disincentive to save.

Mr. Blunkett: I have always enjoyed the hon. Gentleman's flattery, and I shall do so in future. I remember that he once praised the National Union of Teachers' attack on me, and we now hear the pensioners parliament in Blackpool being applauded for attacking my hon. Friend the Minister for Pensions Reform, who is doing a first-rate job in explaining how getting 2.7 million households out of poverty is a good thing, not a bad thing, and something of which we should all be very proud. The answer must be to get individuals, employers and the Government to put together a programme for the future that meets the impossible aspirational circle according to which people want to live longer, to live better, to retire earlier and want someone else to pay. We in Government need to have answers to those questions, which is why we are working on the dialogue with the Pensions Commission to find answers for the future.

Mr. Frank Field (Birkenhead) (Lab): Does the Secretary of State accept that, with pension credit, the Government have offered more help to the poorest pensioners than any other Government in our history, but that, because it is means-tested, that credit is not sustainable in the longer run? Does he look to the Turner commission to come up with one or perhaps two long-term solutions that will impose a shelf-life on the pension credit?

Mr. Blunkett: My right hon. Friend has made a substantial contribution over many years to this debate, and I am looking to the commission to be able to lay out a framework on which the Government can, with the dialogue that I have described, reach a consensus across parties and across the country. We have invited the political parties in the House to become part of that consensus. Of course, simplicity does not always yield the results that we require in circumstances where an historic failure to save and where people were encouraged to opt out of making their contributions have led us to take immediate action. It is absolutely

true, however, that providing incentives to people to save for their retirement, encouraging people to work out what income they think they should live on in retirement and helping them to achieve that goal makes more sense than having to bail people out of poverty—doing that is not the reverse of ensuring that it does not have to be done in years to come.

Miss Anne Begg (Aberdeen, South) (Lab): Many pensioners in Aberdeen are delighted by the pension credit and have been claiming it. A lot of people, many of whom were women, told me as I was campaigning during the election that they felt that they had never been so well off. However, although the take-up of the guarantee credit is quite good, more could be done to encourage people to take up the savings element of the credit. In Aberdeen, the work of the Pension Service has been very good, so that is no reflection on its efforts. It has done quite a lot of outreach work, which is certainly paying dividends. Will my right hon. Friend encourage the Pension Service throughout the country to do more outreach work, through which it goes into communities to try to track down those who should be claiming what they are entitled to, but are not?

Mr. Blunkett: My hon. Friend is entirely right. Many people feel aggrieved as they believe that because they have saved they are not entitled to the pension credit, although, under the savings credit, they would in fact be able to gain. It is thus important to reach out to them. We have the task of ensuring that we use cross-referencing methods, as we do with other benefits, to ensure that take-up in one area encourages people to take up in another, but we still have some way to go.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Will the Secretary of State confirm the statement he gave in an interview with the *Financial Times* last Monday in which he said that when considering future entitlement to pension credit and other pensions, he intended to take into account capital as well as income? Does he realise that if he goes ahead with that proposal, it will be the first time in our history that people's capital, including the value of their homes, is taken into account when considering whether they receive pension credit or other forms of pension? Can he explain to the House where that appeared in the Labour party's election address?

Mr. Blunkett: I warmly welcome the right hon. and learned Gentleman to our first Question Time. I simply advise him not to read *The Daily Express*—[HON. MEMBERS: "It was the *Financial Times*."] And not to take too literally *The Sunday Times*'s version of the *Financial Times* interview, which is on the website, so everyone with the good will and intelligence to do so can read it for themselves. The interview says nothing of the sort. It says, as I have said over eight years in Government, that assets are absolutely crucial for the future, and that there will be a gap between those who inherit assets in the form of housing from parents and grandparents and those who have always been in rented property. That will add to the generational disadvantage of one group and the advantage of another. When building retirement income, we should all take into account the fact that we are talking about assets and not just pension investment, but we should not somehow penalise people. If people would simply like to read the interview, I would be proud to have a debate with them about how we take on that challenge for the future.

Sir Malcolm Rifkind: I happen to have read the interview and indeed have it in front of me.

Mr. Blunkett: Read it out.

Sir Malcolm Rifkind: I am grateful for the right hon. Gentleman's invitation. Does he accept that he said in the interview—these are his words, not mine—on considering future pension entitlement:

"it will be about the capital assets that people have and not just their income. We need to put that into the equation, which is what I intend to do in the next few months"?

Mr. Blunkett: Yes, that is exactly what I said. It represents exactly the same debate that the right hon. and learned Gentleman wishes to have through his private Member's Bill about how we give people the ability through annuities, much more radically, to translate the investment that they hold into realisable assets that can be spent in retirement. It is exactly the same issue that he wishes to debate around annuities. Next time he wants to take me on, I hope that he will read full quotes from the *Financial Times* and not just a partial one.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The Government are to be congratulated on lifting many pensioners out of poverty through the pension credit, but if it is the case that more than 1.5 million people who are entitled to claim do not do so, does the Secretary of State agree that a worrying number of people are thus trapped in the direst poverty? As individual MPs we can all encourage pensioners with whom we come into contact to claim, but do the Government have further plans to bear down on the worryingly large number of people who do not claim when they are entitled to?

Mr. Blunkett: The figures that I cited show a substantial drop in the 1.5 million, which is a positive outcome of the campaign for people to take up the credit. Whatever the disagreements that people may have on so-called means-testing—the criticism varies depending on whether they like child tax credit and the working tax credit or do not like the pension credit—it is beholden on all of us, including those who speak on behalf of people who are in retirement, to sell that message.

As I said, we have further plans for cross-referencing those who receive other forms of benefit. We have done that already, as will be revealed later this afternoon, in relation to getting more people to take up council tax benefit. We can do much more on people taking up pension credit.

Mr. David Laws (Yeovil) (LD): May I belatedly welcome both the Secretary of State and the Conservative Front-Bench spokesman, the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), to their new responsibilities? The Liberal Democrats are keen to play a constructive and positive

role in finding a consensus on pensions. Is there a consensus in the Government on the future of means-tested benefits, such as the pension credit? In particular, is there a consensus between the Secretary of State and the Chancellor of the Exchequer? If so, what is it?

Mr. Blunkett: I would like to reciprocate the hon. Gentleman's welcome. It would have been easier had the leader of the Liberal Democrats not laid out last week, in such detail and with such prescription, what they do not favour before tomorrow's meeting, to which they are invited.

Mr. Laws: They were principles.

Mr. Blunkett: I am being hectored on the idea of principles. I did not think that many of them were principles, but that is not unusual for the Liberal Democrats. There is absolute unanimity between the Chancellor and myself that it is right to lift people out of immediate poverty in retirement. The pension credit does precisely that.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): In the Secretary of State's earlier response, he said that women are particular beneficiaries of the pension credit. Given that women in general have a pension that is about a third of that of male pensioners, will he assure me that in any analysis his Department does of different options on pensions policy, the effect on women is looked at separately?

Mr. Blunkett: Yes. I have already raised with Adair Turner how critical it is to build on the discussions that have taken place. In addition to women's caring responsibilities for children and relatives as they near retirement age, there is a clear anomaly that arose from the different social, economic and family make-up after the second world war and the advice that was given to them on the opt-out from national insurance. It is crucial that we see that as a critical strand and that the solutions we find take those caring duties into account.

Pensions Commission

2. **Dr. Julian Lewis** (New Forest, East) (Con): How long he expects the consultation on the findings of the Pensions Commission to last. [5074]

The Minister for Pensions Reform (Mr. Stephen Timms): The consultation on the commission's first report ended in January. It expects to publish its final report before the end of the year. We are looking for a long-term solution to the provision of adequate income in retirement, building on recent improvements. We will be encouraging wide discussion ahead of the report and will continue the debate and consensus-building after the report is published, for as long as we need to.

Dr. Lewis: I hope that the Minister read the Secretary of State's comments to the *Financial Times* as carefully as my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) did because he would have seen the Secretary of State admit that the Government have not begun to set their collective mind towards reaching a consensus on the way forward, even though he says that he wants the country to do so. Should not the Government get a bit of a move on, bearing in mind the collapse in savings, the collapse in final salary schemes and the accelerating collapse in pensioner morale?

Mr. Timms: Actually, retirement income has risen faster than earnings in recent years, with the largest rise in the incomes of the less well-off, reflecting our priority of tackling poverty in retirement and the big problem left behind by the previous Conservative Government. We need to make decisions now to avoid difficulties in 15 or 20 years' time, given in particular the rapid, and extremely welcome, rise in longevity. It is right to take the time to build up a consensus so that we agree on the right way forward. I hope that even the hon. Gentleman might contribute to that.

Mrs. Madeleine Moon (Bridgend) (Lab): Will the Minister, as part of his consideration of the consultation on the Pensions Commission, examine the plight of carers such as Mrs. Hill of Aberkenfig in my constituency, who had provided care for her daughter for 41 years but who, on reaching retirement age, lost her invalid care allowance and then had to provide the care in return for only her pension? Can we consider how carers can benefit as they carry on caring into pensionable age?

Mr. Timms: My hon. Friend raises an important subject. As she knows, the Government's introduction of the state second pension made significant progress in allowing carers to build up a second pension, but the question of pensions for carers needs to be considered in the debate as we seek a long-term solution to the pensions challenge.

Mr. Julian Brazier (Canterbury) (Con): We all welcome a reduction in pensioner poverty, but does the Minister accept that the price paid through means-tested benefits is an aggregation of benefit withdrawal and tax at the margin for more than half our pensioners, which has sent a message to the next generation that it simply is not worth saving? Does it not worry him that the savings ratio has more than halved under the Labour Government and that 45 per cent. of people now in the work force are no longer willing to make a contribution toward their own retirement?

Mr. Timms: I hope that the hon. Gentleman will tell people who raise such matters with him that it certainly is worth saving for retirement and that if people have got the impression that it is not, they are mistaken. Under the previous Government, many pensioners were left behind and were in difficult circumstances in 1997—for example, a lot of single pensioners were on income support of less than £70 a week, whereas all are now entitled to at least £109 a week. In designing future systems, we must not allow acute pensioner poverty to rise again. However, I repeat: it is worth saving for retirement and I hope that the hon. Gentleman will tell people that if they want an income in retirement of more than £109 a week, they need to save.

Pensioner Poverty

3. **Julia Goldsworthy** (Falmouth and Camborne) (LD): How many pensioners are living in poverty in the south-west. [5075]

The Minister for Pensions Reform (Mr. Stephen Timms): Commenting on retirement incomes after housing costs, the Institute for Fiscal Studies said recently that

"pensioner poverty continues to fall dramatically".

The proportion of retired people whose income after housing costs is less than 60 per cent. of median income has fallen from 28 per cent. in 1996–97 to 20 per cent. in 2003–04, even though median income has risen sharply in that period. The proportion in the south-west is less than the national average, standing at 19 per cent.

Julia Goldsworthy: Is the Minister aware that this year the average South West Water water and sewerage bill increased by 13 per cent. whereas pensions increased by only 3.1 per cent.? The vast majority of pensioners have seen pension increases swallowed up by rising utility and council tax bills. Is it not time that the Government recognise that the only way to ensure dignity and security for older people is through a decent basic state pension, not through an intimidating and complex means-tested pension credit system, on which an estimated 90,000 south-west pensioners are missing out?

Mr. Timms: As my right hon. Friend the Secretary of State said, there has been a big increase in the take-up of pension credit. That is the major reason, although not the only one, for the dramatic fall in pensioner poverty that the IFS identified. We must continue to work to increase the take-up of pension credit, but good progress has been made, which I think the hon. Lady will welcome. I understand that, during the current debate, many people will make the case for increasing the basic state pension. The problem with that is the cost of doing so—that is why the link was broken in the first place. However, I hope that we will debate all the issues fully in the coming months.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I thank my hon. Friend on behalf of the 5,500 pensioners in my area who are in receipt of pension credit, about 4,000 of whom are, I believe, also in receipt of the minimum income guarantee. Many of them stopped me during the election campaign to tell me that it had transformed their lives.

I raised water charges with my hon. Friend's predecessor, who took an interest in the matter. At £100 more than the average, charges in the south-west are by far the highest in the country. Will my hon. Friend take an interest in the outcome of the cross-governmental review of water affordability, on which his Department was represented, in particular the pilot scheme in the south-west of England to examine how benefit checks combined with water efficiency measures and water metering can have an impact on dealing with poverty and low incomes?

Mr. Timms: Like my hon. Friend and me, many hon. Members will have spoken to people during the election campaign whose income before 1997 was less than £70 a week, but is now £109 a week. As she rightly said, that has transformed their circumstances. We certainly must not go back to the days of acute pensioner poverty that was experienced by far too many people. I am certainly glad to take an interest in the proposed pilot study in the south-west, and I pay tribute to my hon. Friend for the long-term work that she has done on the issue. I am pleased that WaterVoice is making a positive contribution to the development of the pilot, and I shall watch its progress with great interest.

Pension Credit

4. **Miss Anne McIntosh** (Vale of York) (Con): What assessment he has made of the potential impact of compulsory saving for pensions on pension credit. [5076]

The Secretary of State for Work and Pensions (Mr. David Blunkett): The question of the potential impact of compulsory savings on pensions and pension credit is something that the Pensions Commission was asked to look at, and it is studying that at the moment. The more people save, whether compulsorily or voluntarily, the less reliant they are on any form of income-related testing and the less likely they are to be in poverty. The question for everyone is whether it is the role of Government, over and above the basic and second pension, to introduce compulsory savings for individuals or employers, and we shall conduct that debate in the coming years.

Miss McIntosh: We heard earlier that fewer people are taking up the pension credit, and we also heard from my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) that the Secretary of State could possibly seize capital assets as part of a pension plan. Would the right hon. Gentleman consider increasing compulsory savings towards pension plans without putting that to the public at a general election?

Mr. Blunkett: I made it absolutely clear that I am not ruling out options before we have had a chance to consider them, but that does not mean that we have ruled them in.

Many more people, not fewer people, are taking up pension credit, as the statistics show. It does not help the debate to turn statistics on their head. If 2.7 million households are benefiting, and that was not the case a year ago, it is a plus, not a minus. This debate is critical to people's future retirement income and therefore their living standards and benefits, so if we used the available statistics and merely debated those things about which we disagree, the nation would be a lot better off.

Rob Marris (Wolverhampton, South-West) (Lab): My right hon. Friend is understandably hesitant about compulsion. Can he assure me that he will be equally hesitant about continuing tax relief for pension contributions, given that it is intensely regressive, with 50 per cent. going to the top 10 per cent. of earners, and 25 per cent. going to the top 2.5 per cent. of earners? I urge him to look at that option while he is looking at compulsion.

Mr. Blunkett: Obviously, the commission will look in detail at the incentives that we need to provide for people on a range of income levels, but it is also important that we do not distort the debate on taxation and reliefs in general. Indeed, I think that the Chancellor of the Exchequer would be on my back if I did. My hon. Friend has made a valid point, which I have been making myself over the past six weeks. We need to get the incentives right for people who find it difficult to save because of the income that they receive.

Mr. John Redwood (Wokingham) (Con): Does the Minister accept that many people who receive pension credit do so because their private pension funds have been badly damaged by the Chancellor's tax increases? Does he accept that they do not regard as a solution an alternative pension policy that says they must work until they drop or sell their house to pay for their own pension? They do not want forced saving—they want their money back, as the Chancellor took it.

Mr. Blunkett: Perhaps I could lay to rest a misapprehension that Conservative Members have expressed throughout the afternoon when they have said that I have talked about people selling their own house. I was actually talking about realising a very large asset that someone has inherited from a relative. Like annuities, that asset could be realised when they wanted to spend the money. It is important that those people, as well as individuals considering their income in retirement, take that into account. If we could get that right we would all be a lot better off.

David Taylor (North-West Leicestershire) (Lab/Co-op): I acknowledge what the Secretary of State said—that compulsory saving would reduce the call for pension credit to support income in retirement—but would it not be more effective still to implement the recommendation of the National Pensioners Convention that the basic state retirement pension be set at the basic pension credit level of £109? Would not that simplify everything and raise take-up as well?

Mr. Blunkett: I am not sure whether that would simplify everything. It would certainly ensure that we spent billions more on people who were well above the current pension credit limit, and it would do so at a time when the Government have had to spend £11 billion on compensation over the past 10 years, most of it—98 per cent. of it since this Government were elected—in sorting out the scandal of mis-selling that cost individuals and the nation a great deal, both in heartache and in hard cash.

Payment Arrangements (Bank Accounts)

6. **Mr. Mike Weir** (Angus) (SNP): What recent representations he has received relating to his policy of direct payment of pensions and benefits into bank accounts. [5078]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): Neither I nor my ministerial colleagues have received any recent formal representations, although Ministers regularly respond to letters and questions in the House about direct payment matters.Over 15 million people—97 per cent. of our customers—are now being paid into an account, and very few are reporting any problems.

Mr. Weir: The Minister will be aware that National Australia bank—the parent bank of both the Clydesdale and Yorkshire banks—has recently announced a closure programme. Several of the branches in the first round of closures in Scotland were the last remaining bank branches in those communities. The policy of direct payment has already undermined many sub-post offices. Many communities have also lost their banks and many more are likely to do so. Will the Minister look again at the policy, otherwise, the only thing left to many pensioners will be to rely on fee-charging automated teller machines?

Mrs. McGuire: I do not wish to comment on the commercial decisions made by any particular bank, including those that have not become involved in partnership with the Post Office to allow full access to their accounts. However, 98 per cent. of pensioners now have their pensions paid by direct payment. I do not want the hon. Gentleman to establish a climate of fear out there about pensions having to be paid through ATMs. There are 15,000 post offices and 32,300 free ATMs where people who get their payments by direct payment can access their cash.

Mr. Henry Bellingham (North-West Norfolk) (Con): During the election I visited a number of small sub-post offices that have lost substantial business because of automated credit transfer. One particular concern is pensioners who used to rely on a carer, a friend or a member of the family to collect their pension. Under the old book system, anyone could collect it. Under Post Office card accounts, only one person can be nominated. What does the Minister intend to do about the problem?

Mrs. McGuire: That was part of the problem with the old book system—anybody could collect the pension, even if the pension book was stolen, dropped, lost or whatever, and it cost £50 million a year in fraud. We should recognise that we have built in a system that is more secure and has dealt with fraud. People, particularly older people, can nominate a third party to cash a cheque of up £450, or can have a separate card with a separate personal identification number so that their pension can be collected. But the message needs to go out that pensioners and those who receive direct payments can still get their cash on the day that they want it at their local post office. I should think that is to be applauded.

Child Support Agency

7. **Annette Brooke** (Mid-Dorset and North Poole) (LD): If he will make a statement on the Child Support Agency. [5079]

13. **John Mann** (Bassetlaw) (Lab): What time scale has been set for all Child Support Agency claimants to be assessed on the new system. [5085]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): The problems with the Child Support Agency are well known to all of us in the Chamber and to very many of our constituents. In April we appointed a new chief executive and as a priority we have asked him to address those problems and to carry out a wide-ranging review of the agency's operations and structures. He will report his findings to us in the summer and will set out his proposals to address those problems and improve the agency's performance, including the transfer of cases to the new system.He will be looking at short, medium and long-term actions.

Annette Brooke: New system or old, what measures will the Minister take to ensure that statements of earnings submitted by the self-employed are checked more effectively? Does he consider it sensible to transfer some of those operations to the Inland Revenue?

Mr. Plaskitt: The self-employed present the CSA with particular difficulties, which it is important to deal with effectively. We have introduced the possibility of communications with the Inland Revenue on information about the income of the self-employed, which has helped the CSA with some of those cases, but we should not transfer the whole case load to the Inland Revenue. Agencies are not queuing up to take over that responsibility, and the Inland Revenue also has difficulties with the self-employed, so the hon. Lady's proposal runs the risk of changing one set of problems for another. We will listen to the new chief executive to see whether we can resolve the problems in the CSA and get its house into order.

John Mann: The Secretary of State loves targets for the public sector, and so do I: will a clear time scale be set publicly in the summer for all CSA claimants to be assessed on the new system?

Mr. Plaskitt: The important thing is to make sure that the new system, which currently contains some 300,000 cases, works properly. It would not make sense to set an arbitrary timetable to achieve the transfers. Once we are confident that the IT is working, we can examine the transfers process, but I do not want to consider the transfers process until we are confident that the system will work effectively.

Mr. David Gauke (South-West Hertfordshire) (Con): Given that we currently run a dual system and that some of those on the old system would be better off under the new system, what legal advice have the Government taken to ensure that they are not vulnerable to a claim for compensation?

Mr. Plaskitt: The important issue is making sure that we resolve the difficulties in the CSA, which is precisely why the new chief executive is conducting a thorough assessment of the current situation and examining all the issues. When we receive his report in the summer, we will examine what action can be taken to deal with the problems and to start to get the CSA into order.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Is my hon. Friend aware of the anger felt by many parents who were on the old system and who are waiting for their cases to be migrated on to the new system? In many cases, payments under the new system will be substantially lower than under the old system. Some parents fear that it will take several years for payments under the new system to reach the correct level, and some of their children will be over 16 by that time. What reassurances can my hon. Friend give to people in that difficult situation?

Mr. Plaskitt: I entirely understand my hon. Friend's point. As I have said, 463,000 cases are subject to the new formula. Maintenance settlements under the new formula are different from those under the old formula—all hon. Members have dealt with maintenance settlements under the old formula that are difficult to understand. The transfer of cases to the new formula will involve a phased process to allow both the non-resident parent and the parent with care to get used to the new formula. It has been suggested that that process will involve a three-year phasing, which is one of the issues that the chief executive is examining, and we will be interested to see what he says about it in his report.

Mr. Paul Goodman (Wycombe) (Con): I congratulate the Minister on his appointment but remind him that, speaking about the CSA a few weeks ago at Work and Pensions questions, when he was asking questions rather than answering them, he said:

> "We are fast approaching a point at which we shall be running two CSAs in parallel. That is not sustainable. Whose fault is it, and when will it be put right?"—[*Official Report*, 8 November 2004; Vol. 426, c. 553.]

So I ask him, whose fault is it, and when will it be put right?

Mr. Plaskitt: That is why I am delighted to be where I am now; I know what the questions are on the CSA and know what needs to be answered. I am looking forward to reading what the chief executive tells us because, like him, I want to get to grips with these issues. Far too many people are caught in the web of the CSA and experiencing difficulties, and we want to get those matters resolved as soon as possible. However, the important thing is to ensure that we have bottomed out the problems, that the systems work, and that the IT is sorted out. Then, we can start to sort out the agency's problems.

Council Tax Benefit

8. **Mr. Jonathan Djanogly** (Huntingdon) (Con): What steps he is taking to increase the take-up of council tax benefit. [5080]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): We are working with local authorities to encourage people to apply for council tax benefit. For example, in February we advised local authorities of around 340,000 cases that we had identified where pension credit was in payment but there was no evidence of a live council tax benefit claim. That has already resulted in 5,000 new awards of council tax benefit to the poorest pensioners, and around 4,000 more claims are being processed.

Mr. Djanogly: What was the cost of the Government's most recent campaign to increase the take-up of council tax benefit?

Mr. Plaskitt: The important thing, as I am sure that the hon. Gentleman would agree, is to ensure that those who are entitled—[HON. MEMBERS: "Answer."] No, no—it is to ensure that those who are entitled to council tax benefit get it, because it is a very important benefit. I hope that the hon. Gentleman is active in his constituency in contacting pensioners who have not taken up the council tax benefit and encouraging them to do so. That is what we are doing, and it is money well spent.

Tony Baldry (Banbury) (Con): The Minister will know that I introduced a private Member's Bill on this subject during the last Parliament. More than £1 billion of council tax benefit goes unclaimed, mostly by pensioners. Will the Minister estimate how much council tax benefit will go unclaimed this time next year? Just how effective does he believe his schemes will be in ensuring that poorer pensioners get the council tax benefits to which they are entitled?

Mr. Plaskitt: I am anxious to ensure that the amount unclaimed comes down, and we have embarked on a series of initiatives to achieve that. For example, winter fuel payments, which go of course to every pensioner household, will be accompanied by a flyer promoting council tax benefit. I should also tell the hon. Gentleman that we launched a £13 million fund in January under the partnership fund. That is providing two years of funding to around 170 organisations across Britain to finance local initiatives to improve take-up of these benefits.

Occupational Pension Schemes

9. **Mr. David Jones** (Clwyd, West) (Con): If he will list the occupational pension schemes whose members have been affected by the wind-up of their scheme and will not receive assistance from the financial assistance scheme. [5081]

The Minister for Pensions Reform (Mr. Stephen Timms): The draft regulations for the financial assistance scheme will be tabled later this week. An indicative list of 380 potentially eligible schemes was published on 22 February. Formal decisions on eligibility will be made once Parliament has agreed the regulations.

Mr. Jones: Does the Minister accept that £400 million over 20 years, welcome though it is, is wholly inadequate in providing meaningful compensation to those pensioners who have been affected by the wind-up of their schemes? Indeed, informed commentators estimate that closer to £5 billion is required. That being the case, will he give serious consideration to Conservative proposals that the Government should utilise unclaimed funds in the hands of financial institutions to bolster the fund?

Mr. Timms: I am grateful to the hon. Gentleman for welcoming the Government's commitment of £400 million. As we have said, we will review the funding and other aspects of the scheme after three years. I was previously the Treasury Minister responsible for banks and building societies, so I am familiar with the work done on the scale of unclaimed assets. I discovered in that role that there is a long list of ideas about how to spend those resources but rather less clarity about the amount. Work is going on to establish that, but I caution the hon. Gentleman against believing that the assets will be available for this purpose.

Richard Burden (Birmingham, Northfield) (Lab): My hon. Friend will be aware that there has been some concern about whether pensioners from the MG Rover pension scheme will be assisted through the financial assistance scheme, particularly as more than one company in that group is not currently in administration. I welcome my right hon. Friend the Secretary of State's very firm commitment on sorting the matter out. Can my hon. Friend update us on that, particularly as regards the rather perverse situation of people who have taken early retirement but could end up with less money unless we get their position sorted out?

Mr. Timms: The Pension Protection Fund, rather than the financial assistance scheme, is the likely source of help for former employees of MG Rover. I acknowledge that it is a worrying time for MG Rover pensioners. My hon. Friend is right to draw attention to the comments of my right hon. Friend the Secretary of State. We believe that it remains a question of when, not if a PPF assessment period will start, and we are considering closely the way in which the PPF regulations work and how they are likely to apply in the case that my hon. Friend raises.

Miss Julie Kirkbride (Bromsgrove) (Con): Like the hon. Member for Birmingham, Northfield (Richard Burden), I take a great interest in the Rover pension scheme. However, I would be grateful if the Minister could be a little clearer about the way in which it will be sorted out. He will know that no application can be made to the Pension Protection Fund because one of the Rover companies is still trading. Until they are all in administration, no application can be made. How can an application be made to the fund while the company is still trading? Until the application is made, no money will be forthcoming under the Government's legislation.

Mr. Timms: We have been looking for some time at the impact of the regulations on the Pension Protection Fund. We propose to make several amendments in the coming weeks to reflect issues that have arisen through the operation of the regulations so far. When the hon. Lady sees the proposals, I believe that she will welcome their likely impact on the case that she raises.

Mr. John Denham (Southampton, Itchen) (Lab): APW, formerly known as Veros, is nowhere near as prestigious or as politically sensitive as Rover, but for my constituents who have lost 80 per cent. of their pensions, the problems are no less real. The Minister has agreed to meet a delegation this week, and I thank him for that. However, will he consider the specific group of schemes whose trustees were forced to wind up the

schemes last year, thus falling between the financial assistance scheme and the Pension Protection Fund, and for whom nothing is currently on offer?

Mr. Timms: I am grateful to my right hon. Friend for the meeting that we shall hold, and I look forward to the discussion with his constituents. The financial assistance scheme is for defined benefit occupational schemes when the sponsoring employer is insolvent. It is important that solvent employers stand behind their pension promises. I am sure that when we meet we shall have a full discussion of the circumstances in the case that my right hon. Friend raises.

Mr. Nigel Waterson (Eastbourne) (Con): Is not the Minister a bit embarrassed that more than year has passed since the financial assistance scheme was unveiled in the House, yet not a penny piece has been paid out to any pensioners, including those who face penury or suffer from a terminal illness? Why, in the meantime, have the Government spent their energies on trying to restrict eligibility and the level of pay-outs under the FAS? Speaking for the 60,000 pensioners and others whose cases are yet to be tackled, will the Minister agree to bring forward his review of the grossly inadequate funding for the FAS?

Mr. Timms: We have been making good progress on setting up the FAS. I made the point earlier that the draft regulations will be published this week. I hope, contrary to a press report today, that we may be in a position to make the first payments before the end of the calendar year. We have been careful throughout not to raise people's expectations unfairly. It would be wrong to commit to a specific date for making the first payments before Parliament has agreed the regulations. It remains our position that we will review the funding and other aspects of the FAS after three years.

Incapacity Benefit Claimants

11. **Mr. David S. Borrow** (South Ribble) (Lab): What steps his Department is taking to help claimants of incapacity benefit into work in Lancashire. [5083]

The Minister for Employment and Welfare Reform (Margaret Hodge): Through our new, innovative programmes, which we have called pathways to work, incapacity benefit recipients can receive one-to-one support from a personal adviser. They can access services to help them manage their condition, and there are financial incentives to support them back into work. At the end of March, we had successfully helped 1,392 people back into work in the east Lancashire pilot. From October, customers in west Lancashire will also be able to access the service, as will a third of all incapacity benefits claimants by October 2006.

Mr. Borrow: I thank my right hon. Friend for her reply. May I urge her to extend the east Lancashire pilot into affluent constituencies such as mine as speedily as possible? The problems experienced by people on long-term incapacity benefit are just as great in relatively affluent areas, where many people get stuck on incapacity benefit. They need the certainty that if they move off incapacity benefit and into work and things do not work out, they will still have a chance to go back on to that benefit rather than on to very basic allowances.

Margaret Hodge: The early evidence from the pathways to work pilots is extremely positive. In fact, in those areas, six times as many people are moving away from a life of dependency on incapacity benefit into a life of opportunity in work. I am as anxious as my hon. Friend to learn from those pilots and to extend that good practice across the country as fast as we can.

Women Pensioners

12. **Vera Baird** (Redcar) (Lab): What steps he is taking to increase the number of women who receive a full basic state pension in their own right. [5084]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): The proportion of women retiring with a full basic state pension will rise substantially over the next 20 years or so, although many will still not have a full record. The introduction of home responsibilities protection in 1978 and other recent measures, including the minimum wage, tax credits and better child care, have improved women's ability to build up their own state pension.

Vera Baird: I am grateful to my hon. Friend. Does she accept, however, that the credits given to women while they are caring for children or elders as well as holding down one or perhaps two part-time jobs are hopelessly inadequate for the provision of a basic state pension? The amounts involved are growing only very slightly and very slowly. In a recent debate in Westminster Hall, it was estimated that at the current rate of progress, it would take about 70 years for all women to receive a basic state pension. My right hon. Friend the Secretary of State's predecessor referred to this problem as a national disgrace. How is it going to be tackled?

Mrs. McGuire: One of the principles behind our reform is that any new system should deliver for women and carers, and all options for reform will be assessed against that criterion. My hon. and learned Friend is quite correct; many women have been left behind in regard to their eligibility for a full state pension, largely as a result of the demographic, cultural and social situations in the 1940s, 1950s and 1960s. There is now a commitment to make pensions work for women, and I hope that my hon. and learned Friend will participate in forming the consensus that we are trying to establish around creating a pension scheme that truly delivers for women and carers.

Mr. Tim Boswell (Daventry) (Con): I welcome the Minister to her new position and agree with a great deal of the comments about the historical basis of the problem of women's pensions, which is not in dispute. Will she acknowledge, however, that it is not necessary to jettison the contributory principle in order to address the problem? The way forward already suggested by the Conservatives would involve the better acknowledgement of any cash contributions made, the re-examination of the provision that rules out any pension unless a quarter of the record has been completed, and the proposal that there should be

better acknowledgement of all the different kinds of family responsibility that people undertake as part of their normal life cycle. In that way, women could build up good credits and the problem would begin to reverse itself more quickly.

Mrs. McGuire: I thank the hon. Gentleman for his kind words. I agree that we need to look at ways in which women and carers who are not in employment build up their state pension eligibility. Part of the solution will be delivered by the home responsibilities protection; another part will come from carers' allowances and from credit on the majority of benefits, such as jobseeker's allowance. We have an open mind about how we are going to ensure that tomorrow's pensioners have a decent and fair income in retirement. That is why we have undertaken to publish our own analysis and to look at the specific issue of women and pensions.

Economic Inactivity (South Wales)

14. **Huw Irranca-Davies** (Ogmore) (Lab): If he will meet Ministers in the National Assembly for Wales Government and in Westminster to discuss economic inactivity in south Wales valleys. [5086]

The Secretary of State for Work and Pensions (Mr. David Blunkett): I very much look forward to returning to Wales shortly, and to visiting the want to work pilots. I shall be able to point out, as will my hon. Friend in his constituency in the Bridgend local authority area, that inactivity rates have been reduced and that activity rates have risen from 66.5 per cent. when we were elected in 1997 to 72 per cent. today.

My hon. Friend will know, as I do from representing a south Yorkshire seat, that many of those who are inactive today were made redundant by the Conservative party in the 1980s and 1990s and have languished on incapacity benefit ever since. We need to ensure that that never happens again.

Huw Irranca-Davies: I thank my right hon. Friend for that comprehensive answer. He will know of a report published last year with the catchy title "The Socio-economic Characteristics of the South Wales Valleys in a Broader Context". It points out that the south Wales valleys are lagging behind not just the rest of Wales but most of England, owing to poor education, poor transport and the large number of people on long-term incapacity benefit. Huge progress has been made, but in reforming incapacity benefit, should we not adopt an approach that recognises the worth of every individual, and recognises that the best way of ensuring the mental and physical well-being of many is to ensure that they return to work? Should we not also give much better protection to those who cannot return to work?

Mr. Blunkett: I entirely agree. The best form of welfare is work. We need to help those who can and protect those who cannot. We will do that, which is a promise and not a threat. Seven years ago in south Wales I met someone who had had a heart bypass and who thought, at the age of 42, that he should write himself off and never work again. I never again want to meet someone in that position. If people do not write themselves off, we will not write them off.

Child Tax Credit

15. **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): If he will make a statement on the transfer to child tax credit of the remaining families with children in receipt of income support and income-based jobseeker's allowance. [5087]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): All new claimants for income support and jobseeker's allowance receive child tax credits rather than an increase in their benefits. We have always made it clear that the timing of the transfer of cases to tax credits will be subject to a final review. We are concluding that review, and an announcement will be made in due course. Meanwhile, I stress that no one is losing out: the increases in the benefits associated with children are set at the same level as child tax credit.

Danny Alexander: I am grateful for the Minister's confirmation that the transfer has been delayed yet again. Given the problems and the real hardship caused to nearly 2 million families by tax credit overpayments and the reclaiming of the amounts involved, has the Minister spoken to the Treasury about the level of income protection in the tax credit system that is available to families who are among the most vulnerable in society?

Mr. Plaskitt: I can reassure the hon. Gentleman that my right hon. Friend the Paymaster General has asked HM Revenue and Customs to look at ways of helping families to understand when they should report income changes.

Carers

17. **Mr. Lindsay Hoyle** (Chorley) (Lab): If he will make a statement on support for carers. [5089]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): Depending on their personal circumstances, carers have access to the full range of social security benefits. Special help is also available for carers on low incomes through the carer premium in income-related benefits and the additional amount for carers in pension credit. We have made carer's allowance available to carers aged over 65. We have also increased the carer premium by £10 a week in addition to annual increases. Other support services are provided by the Department of Health and the Department for Education and Skills in England, and the devolved Administrations in Scotland and Wales.

Mr. Hoyle: I am sure my hon. Friend would agree that carers are unsung heroes and that the health service would grind to a halt without them. What can she do to ensure that the allowance is taken up? We know that money is available, but we also know that people do not claim their entitlement. What can my hon. Friend do to help those people to claim the money due to them and to ensure that more funds are available for the future?

Mrs. McGuire: I agree with my hon. Friend about the role of carers in society. Like many Members, I was pleased to celebrate carers week last week, and I am sure that many of us visited our local carer centres.

About 437,000 carers currently receive carer's allowance, but as my hon. Friend says, carers' individual circumstances vary. The Department has stressed the need for us to ensure that they find out exactly what they are entitled to, and we are making every effort to provide information through our departmental networks, through doctors' surgeries and through citizens advice bureaux in order to increase take-up where appropriate.

MG Rover Pensioners

18. **Peter Luff** (Mid-Worcestershire) (Con): What representations he has received on behalf of MG Rover pensioners about the security of their pensions. [5090]

The Minister for Pensions Reform (Mr. Stephen Timms): We have received a number of representations and, as I said earlier, I recognise that this is a worrying time for MG Rover pensioners. Existing pensioners are receiving their pensions in full. We believe that it remains a question of when, not if, an assessment period under the pension protection fund will start for the MG Rover scheme.

Peter Luff: I thank the hon. Gentleman for his sensitive reply to that question and to earlier questions on the subject during Question Time, which contrasted with the gross insensitivity of the Minister for Employment and Welfare Reform, who said that skilled engineers should go and work at Tesco.

What mechanisms will be used to introduce the amendments that the Minister for Pensions Reform proposes for the pension protection fund, and what will be the likely time scale for those amendments?

Mr. Timms: I hope that we will be able to come forward quite quickly with our amendments. As I said earlier, we have been looking for some time at the way in which the regulations have been working in their early months. We have identified a number of issues that we need to deal with. I hope that we will be able to come forward with those changes very soon.

European Council

3.30 pm

The Prime Minister (Mr. Tony Blair): With permission, Mr. Speaker, I shall make a statement about the European Council held in Brussels on 16–17 June.

This European Council was essentially about two subjects: the consequences of the no votes in the referendums in France and the Netherlands; and the financial perspectives, the budget ceilings for the European Union for 2007–13.

In respect of the constitutional treaty, the 10 member states that had ratified were anxious that ratification continue. But realistically, given the no votes in France and the Netherlands, ratification cannot succeed unless and until those votes change. Moreover, the Dutch Prime Minister, rightly and inevitably, said frankly that there was no prospect of his bringing back the treaty for any sort of new decision in this Dutch Parliament. As a result, whatever words are used in the Council conclusions, standing the results of the French and Dutch referendums, the treaty cannot proceed. It is therefore sensible instead to have a period of reflection, in which the critical questions as to Europe's future direction are debated.

On the future financing package, the UK approached the negotiations with several objectives. First, we wanted an overall budget which demonstrated a responsible and prudent approach to spending, at a time when national budgets across Europe are under strain. Secondly, we wanted a commitment to a comprehensive reassessment of the structure of the EU budget.

Europe faces an immense global competitive challenge. Quite apart from the established economies of America and Japan, the rise of China, India and the other Asian economies is creating a wholly new economic environment. It simply does not make sense, in this new world, for Europe to spend over 40 per cent. of its budget on the common agricultural policy, representing 5 per cent. of the EU population producing less than 2 per cent. of Europe's output. Indeed, we are spending seven times as much on agriculture as on research and development, science, technology, education and support for innovation combined. This is not a budget fit for purpose in the 21st century. Even at the end of the next financial period—by the beginning of 2014—we would be spending 40 per cent. of the budget on the CAP. Europe just cannot wait 10 years or more for the change that is necessary.

It is in that context that the issue of the British rebate must be examined. The rebate arises because of the distortion of the budget. Over the 10 years to 2003, France's net contribution to the European Union was €18.8 billion; Britain's was €42.4 billion. Without the rebate, it would have been €78.7 billion. In the next financial period—2007–13—even with the rebate, Britain would be paying around €13 billion more. Without it, Britain would pay nearly two and a half times as much as France, and slightly more even in money terms than Germany. But it is also true that the rebate is merely a correction mechanism, designed to address an underlying imbalance in the budget. As the European Union has expanded and Britain has become more wealthy than countries such as France, it is right that it changes.

Our position, therefore, was not to refuse any change to the rebate, to rule out a discussion, or to disown our responsibility to pay for the enlargement of Europe—an enlargement that we passionately support.

On the contrary, I made it clear that we should deal with both anomalies; the rebate and the CAP. I proposed that we have a fundamental review of the EU budget, reporting in time for us to be able—midway through the next financial period—to alter fundamentally the structure of the budget, dealing both with the rebate and the CAP. In the meantime, of course, we would ensure that we paid our fair share of enlargement.

The presidency proposal from Luxembourg fell way short of such a solution. The terms of the review were expressed in language so vague as to be meaningless. In addition, the words meant, effectively, endorsing the 2002 common agricultural policy package up to 2013. It has been said frequently in the past week that this 2002 agreement ruled out further CAP changes, and that therefore it was unfair of the UK to try to reopen it. But in October 2002, it was expressly stated that this agreement was without prejudice to the future financing arrangements and, at that time, the UK made it clear that on the basis of such a package there could be no change to the rebate.

So the review offered was inadequate. What is more, the cost to the UK of the Luxembourg proposal would be over €25 billion, meaning over the next financial period that instead of parity with similar sized countries, we would have been back to, for example, a €23 billion deficit with France. That money, incidentally, would not have gone to poorest countries, but would have been redistributed among the wealthy ones.

This is a deal I simply could not have recommended to the House. It was not the right deal for Britain. It was not the right deal for Europe. Four other countries rejected it, and several more made clear their dissatisfaction.

I fully understand the concerns of the new European countries. They want an agreement. We will do our best to secure such an agreement and to make sure it is one that meets their needs. Britain championed enlargement; Britain will continue to do so. But let us not forget that, on any basis, around 80 per cent. of CAP funds and almost 50 per cent. of structural and cohesion funds will continue to go to the original 15 countries, not to the new accession countries.

It is said that the failure to reach a deal has deepened Europe's crisis; that Europe's credibility demanded a deal. No. Europe's credibility demands the right deal—not the usual cobbled-together compromise in the early hours of the morning, but a deal that recognises the nature of the crisis. This crisis is not about the failure of Europe's leaders to reach agreement with each other. The crisis is about the failure of Europe's leaders to reach agreement with the people of Europe about the issues that concern them.

People in Europe see the world changing around them, economically and socially, and want answers to the challenges they face. They worry about globalisation and organised crime and they do not, at present, see Europe giving a credible response. If we answer these concerns, Europe will strengthen. We need a strong Europe to bolster the strength of individual nations. It is those who believe in Europe most who should be the

[The Prime Minister]

most ardent advocates of changing it. The European Budget should not be separate from that debate, but part of it. It is that debate that we will look forward to in our presidency.

Mr. Michael Howard (Folkestone and Hythe) (Con): When the Prime Minister returns from a European Union Council, it is customary to start with those aspects of his statement with which we can agree, and I am grateful to the right hon. Gentleman for giving me advance sight of the statement.

On this occasion, I am delighted to say there are more aspects than usual with which we can agree. As the Prime Minister said on a different occasion, "The kaleidoscope has been shaken." I sense—I hope that I am not mistaken—a real change in the way in which he and some of his Ministers are approaching reform of the EU. If that conversion is genuine, no one would be more delighted than me. Let me first congratulate the Prime Minister on protecting the rebate. He was right to insist that Britain's rebate should remain intact. We fully support him on that. But will he explain to the House what he said to the BBC on Friday: that if he gets the deal that he wants,

"very bluntly Britain would pay more, not less, because of the way it would work out"?

Those are his words, not mine. We agree that the CAP needs radical reform, but if the European Union does less, should not the British people also pay less?

With the benefit of hindsight, does the Prime Minister now accept that he was wrong in October 2002 to sign up to the existing CAP arrangements, under which 40 per cent. of the EU budget still goes to an activity that employs just 5 per cent. of the people, as he said? But is there not something even more important than the reform of the CAP? The Prime Minister has talked about a European Union "fit for purpose". I agree. Should not Europe's leaders first decide what that purpose is, and only then how best to deliver it?

The 2001 Laeken declaration, which set up the Convention that led to the constitution, was clear. Europe's citizens

"want the European institutions to be less unwieldy and rigid . . . more efficient and open. Many also feel that the Union should"

not involve itself in every detail

"in matters by their nature better left to Member States".

Is it not true that Laeken asked the right questions, but that the constitution was the wrong answer? As Labour's own representative on the Convention, the hon. Member for Birmingham, Edgbaston (Ms Stuart), said last week,

"The Constitution was an overambitious attempt to consolidate an outdated political and economic vision of Europe. Our mandate was to bring Europe closer to its people and we ended up alienating them even more."

Does the Prime Minister now accept that he has wasted the last two years trying to sell an outdated vision of the European Union, when he should have been making the case for a more flexible, liberal Europe of nation states?

The no votes in France and Holland provide us with an historic opportunity to have a much wider debate about the future of Europe, but to do that we must put the European constitution behind us. Only last week, the Prime Minister was talking in this House of finding a way round the votes in France and Holland. Will he now emphatically renounce such language and reject any such attempt?

For the last two weeks, the Prime Minister has refused to say whether he thinks that the constitution is dead, yet on Friday he signed up to a statement that made it clear that the no votes in France and Holland

"do not call into question the validity of continuing with the ratification processes."

If he thinks it still valid to continue with those processes, what does he intend to do about it? Does this mean that we will, after all, proceed with a referendum in this country? If not, what on earth does he mean by that phrase, which he agreed with the other European Union leaders?

Last year, the Prime Minister told this House that opponents of the constitution wanted to

"marginalise this country in the European Union"—[*Official Report*, 20 December 2004; Vol. 428, c. 1925.]—

that we would end up having to accept associate membership. So has he sent France and Holland their application forms for associate membership? Does he now accept that he was wrong, and that the constitution would have taken Europe in completely the wrong direction? Why else did the Foreign Secretary say last week that we had reached a "turning point", and that Europe had been "trapped in the past"? Would it not be much better for the Prime Minister openly and honestly to accept that the constitution is dead, and that the European Union should abandon its attempts to smuggle in any further removal of power from the nation states, such as through the creation of a diplomatic service?

The Prime Minister has rightly called for "fundamental change and reform" in the European Union. Will he confirm that during that process of "fundamental change and reform", Britain will continue to support EU enlargement—including sticking to the timetable for Romania and Bulgaria to join, and starting talks on Turkey's future accession? Does he agree that

"the British view is that there should be a modern, flexible, reformed Europe; a Europe ready for the challenges of the 21st century; a Europe that is truly free, based on co-operation and not coercion; a Europe that transfers power back from Brussels to the nation state"?

A year ago, when I put that case in those words to the Prime Minister, he responded by accusing me of "prejudice" and of

"a transient populism that betrays the very national interest that it says it safeguards."—[*Official Report*, 21 June 2004; Vol. 422, c. 1085–86.]

But he said on Friday night that he was not now prepared to accept that there is only one view of what Europe is. We welcome that, and we trust that whenever anyone presents a vision of the European Union that differs from his, he will no longer routinely accuse them of wanting to leave the EU.

A recent report for the European Commission concluded that the EU faces the "exit ramp of history". In his new spirit of openness, conceding that there is more than one view of Europe's future, will the Prime Minister now accept that while some member states may want to integrate more closely, it should not mean that

everyone has to? Does he agree that we will create a truly flexible EU only if Europe's leaders adopt a "live and let live" approach in future? Will he now accept that the status quo is a recipe for certain economic decline and that we need urgently to create a decentralised outward-looking deregulated European Union—a Europe that would be better placed to cope with the competitive challenges of globalisation and the emerging economies of the east? Will he also now accept that people of whatever country want to feel a sense of solidarity with and pride in the institutions that serve them, and that the institution that best provides such solidarity and sense of pride is the nation state?

If the Prime Minister uses Britain's presidency to take a lead in Europe, arguing for a more flexible and more accountable EU with powers returned to the nation states, we will support him every inch of the way.

The Prime Minister: First, let me thank the right hon. and learned Gentleman for his initial comments when he said that he agreed with much of the position that we have taken. Despite that, I still think it is the right position. However, the right hon. and learned Gentleman put his points in a perfectly reasonable manner, so I shall respond to them in kind.

The right hon. and learned Gentleman spoke about my statement on Britain paying more for enlargement, but we must be very clear about this matter. As the EU enlarges and takes in countries that are much poorer than ours and as the budget is placed on a sensible basis, the wealthy countries will clearly have to pay more and the poorer countries less. I personally think that that is entirely justifiable as long as the EU budget is spent on sensible things. People will then understand it, but what they will not understand is Britain paying more in respect of a budget that is completely distorted by the injustices of the past. As to the CAP reform of 2002, others had the veto in those circumstances, but in this case, we had to give our agreement in order for a deal to be done.

I do not disagree with some of the right hon. and learned Gentleman's remarks about the difference between the Laeken declaration and the subsequent debate. Indeed, that point has often been made. In respect of the constitution, however, let me make one thing very clear to the right hon. and learned Gentleman. Some of the reasons why people voted no, particularly in France, were not reasons that either he or I would support—among them was opposition to Turkish membership of the EU, for example. So we need to be careful, in discussing the no votes in France and Holland, that we do not assume that every person who voted no was somehow endorsing a particularly British view of Europe. It is not as simple as that.

There is a real debate in Europe now, which is not limited to just two simple positions. Some are opposed to Europe on grounds that might recommend themselves to some of the right hon. and learned Gentleman's party but not to him—people who are against enlargement, against immigration and against the very concept of the EU—and then there are some who want a federalist superstate. However, most people in Europe recognise that the EU has an important role and want to see it strengthened, but also want Europe and its institutions focused on the issues that concern them now rather than on issues that rightly concerned people in Europe 50 years ago. The issues are not the same in the Europe of today. Enlargement provides a tremendous opportunity in that regard.

Let me make one final point to the right hon. and learned Gentleman. Our approach to Europe over the last couple of years has allowed us to be in a position whereby, despite the attacks from some quarters over the last few days, we went to the European summit with allies and we went out of it with allies—*[Interruption.]* Well, four countries joined Britain in voting against, but many more countries expressed their dissatisfaction. It is important to keep those alliances going forward. Many of the new countries in the enlarged Europe would have preferred a deal last Friday—let us be clear about that—and we have to explain to them why our opposition to the deal last Friday was not an opposition to enlargement or to Britain paying its fair share, but an attempt to put Europe on a more rational footing. In doing so, diplomacy as well as strength will be required: we will need both.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Naturally, those of us in the fundamentally pro-European camp feel a degree of pessimism about the present state of affairs. However, as Britain takes on the presidency of Europe it is our responsibility, as the Prime Minister will undoubtedly agree, to try to build a new consensus and a new sense of optimism about the European project. Surely, the Council was right to call for a much broader debate among member states during this "period of reflection" over what happens to the constitutional treaty. Does the Prime Minister agree that being pro-European in no sense precludes being pro the reform of European institutions for the better, and that the two in fact go hand in hand?

On Thursday, when the Prime Minister addresses the European Parliament, he will be required to set out his vision of how Europe will develop. Can he give us some more detail this afternoon about what that vision will be? In that regard, does he agree that, especially in the Balkans, the prospect of EU membership is a great driver for positive change as well as for regional stability? Will he ensure that under his presidency Britain maintains the momentum for that enlargement?

The Prime Minister was undoubtedly correct over the past few days not to agree to a fudged deal over the budget. There is still time to agree a new package before 2007. But the Prime Minister did not begin to make the public case for reform, especially of the common agricultural policy itself, until it became clear that the United Kingdom rebate was under threat. In retrospect, surely that was a mistake. Why did he wait so long to make that coherent case for reform? What are the prospects for a deal on the budget under the British presidency, and will he bring forward specific proposals, during our presidency, for a reformed budget?

Despite all the difficulties, however, the agreements made on international development at the summit, especially the increase in aid to Africa, were welcome. Will the Prime Minister take this opportunity to confirm that the UK will meet the United Nations target on aid of 0.7 per cent. of gross domestic product before the EU deadline of 2015?

The Prime Minister: On the latter point the answer is yes. We have set a target of 2013 on international development. The arrangement by EU Development Ministers—the agreement to double aid and increase it by $40 billion—is an indication of Europe working well together, and one should not lose sight of that.

The important thing is to present the case for reform in Europe from a pro-European perspective. The Leader of the Opposition did not do a great deal of this when he spoke earlier—and that was the right thing for him to do—but if we were to make the case for change in Europe simply on a traditional Eurosceptic basis, it would carry no conviction at all. It is important to realise that it would not carry conviction with the new countries that are our allies on that. Towards the end of the evening, at one point there were offers by east European countries to pay even more into the budget if that would help to get a deal, but I made the point then—and I repeat it publicly—that there was no way that Britain was asking the east European countries to stump up more money. That was not the issue, and it is important that people in Europe understand that. The issue was the distribution of wealth among the wealthy countries and how it was divided up on a fair basis, with a proper budget.

Let me just make this point to the right hon. Gentleman finally: it has again been said that we never made the case for the reform of the common agricultural policy until a couple of weeks ago. I do not have to hand all the times that I have made that case at the Dispatch Box, but I think Britain has been arguing the case for CAP reform for a very long time. We should not allow those people who are opposed to our position in Europe somehow to put away the idea and have it running throughout the European Union that we only raised the CAP a couple of weeks ago. We have never stopped raising the CAP, but if people wanted to make changes to the British rebate, it is obviously right that we deal with the underlying reasons for that. It is true that the amount spent on the CAP has come down significantly over the past 20 years. It was well over 65 per cent.; it is now just over 40 per cent., but that is still far too much for a policy that, in today's world, does not really correspond with the needs of the European economy.

Let me just make this point as well: we do not and did not say either, as was being said by some other countries, that somehow, last Friday, we thought we could renegotiate the entire change in the CAP. That is not what we were asking for. What we are asking for is a fundamental reassessment that allows us to change this coming financial perspective. If we do not do that, it will be 2014 before we get any proper change in the European Union, and that is too long to wait.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Prime Minister aware that, notwithstanding the many reasons that he advanced for the no vote particularly in France and in Holland, there is a growing political vacuum in every one of the 25 nation states in the European Union? That is exemplified here as well as anywhere else. For 30 years, there has been a tendency, both in the Common Market and the European Union, to race ahead of its people, and for most of that time, they have been able to get away with it. My view is now that there are no political certainties any more in this growing political vacuum. The halcyon days are over, and if the Prime Minister wants to have six months of a presidency that will be marked, it had better not any longer be one of any grand gestures that race ahead of the people. It must be in line with what can be sold. If the Prime Minister does that, he may be able to find a way forward to reduce the burden of the CAP and all the rest, and it will need a lot of luck to go with him.

The Prime Minister: That is certainly true, anyway.

It is also true to say, though, that this change in Europe will not be achieved unless we recognise that, in my judgment, people support the concept of the European Union. What they do not support is its present reality, but that is a very different thing from saying that we should break the whole thing up.

Mr. William Cash (Stone) (Con): Against the background of this historic opportunity, does the Prime Minister recall the words of William Pitt, who said in 1801:

"England has saved herself by her exertions and will, I trust, save Europe by her example."?

In the light of what the Prime Minister has said, does he also recall that it is highly improbable that William Pitt would have signed the constitutional treaty, but that Churchill said that we should be "associated but not absorbed"? Will the Prime Minister take this opportunity to take up the message that Churchill issued and then say that he would agree to co-operate with those of us who have just set up the European reform forum to look at all the existing treaties and then find the way forward? This is an historic opportunity. Will the Prime Minister help us to co-operate in finding the way forward in the interests of this country?

Several hon. Members *rose—*

Mr. Speaker: Order. May I ask hon. Members to co-operate with me by asking far briefer supplementary questions?

The Prime Minister: I think that William Pitt went about things in quite a military way, as I seem to recall, and I do not think that we are quite at that point. The only difficulty with Winston Churchill on the subject of Europe is that quotes of his that support virtually most positions on Europe can be found. The basic point is that, yes, we can make a real difference over the next six months of our presidency, but I repeat that we will only do so if we are arguing from a mainstream position in Europe.

Mr. Denis MacShane (Rotherham) (Lab): As I will be in Warsaw this weekend, may I welcome the Prime Minister's generous statements about helping eastern Europe and contrast them with the rather mean approach of the Leader of the Opposition when he said that we should pay even less to Europe to help poorer countries? Is the Prime Minister aware that 19 out of the 25 member states are now governed by sister parties of the Conservative party? The report in *The Times* today saying that leading Conservatives have set up their latest no campaign to renegotiate the treaties and pull us out of Europe is thus deeply alarming? While Britain should be extending its influence in Europe, the Conservative party wants us out of the European Union.

The Prime Minister: That is why this is important. If we were to start talking about renegotiating the existing terms, it would be disastrous for our ability to gain any leverage in the debate at all. That is why it is sensible for us to work with other political parties and Governments in Europe from a pro-European position.

Mr. Alex Salmond (Banff and Buchan) (SNP): Does the Prime Minister accept that, right through his premiership, he has lectured us that the difference between him and his predecessors is that he will always put this country at the heart of Europe? Amid all the smoke, confusion, chaos, re-enactments of the battle of Waterloo and all that stuff, can he tell us exactly what now differentiates his position, in terms of attitude and style, from that of John Major 10 years ago?

The Prime Minister: I can tell the hon. Gentleman exactly. In the latter part of the last Government, I am afraid that Britain was completely isolated in the European Union, but it is not isolated today. Britain has allies both on the nature of the reforms that we want to achieve and on the budget debate. If, as I assume, he is saying that we should have accepted that deal last Friday—

Mr. Salmond: How many allies?

The Prime Minister: Would the hon. Gentleman have accepted it or not?

Mr. Salmond: The question is what your style is.

The Prime Minister: What my style is? It is the budget we are debating, not fashion.

Keith Vaz (Leicester, East) (Lab): May I congratulate the Prime Minister on fighting so hard to preserve the British rebate? I realise that a period of reflection is important, but will he pledge to continue pushing forward the reform agenda? That relates to not only the CAP, but the Lisbon scorecard and the Tampere and Hague programmes, which, if implemented, will bring real benefits to millions of people throughout the European Union.

The Prime Minister: My hon. Friend is absolutely right. If we were making real strides forward on economic reform, dealing with organised crime and drug and people trafficking, and issues to do with terrorism, and if we were ensuring that we had the right defence capabilities in Europe, the people of Europe would see us addressing their concerns and worries. He is absolutely right that that is the way to make the case.

Mr. Ian Taylor (Esher and Walton) (Con): I suppose that the events of the past few days have turned us all into Eurosceptics, but the question is how we now react. In Paris last week, it was clear that many French business people recognised that the French social model was not the basis for Europe. Indeed, as one commissioner said, it would endanger us to the point at which we could become a suburb of Shanghai. On a more general point, during the next six months, will the Prime Minister try to ensure that the European Union has the right allocation of resources so that we can continue to do our job of trying to stabilise Europe? One country that has not been mentioned that must be in our sights is Croatia. If it thought that there was no chance of coming closer to the European Union, there could be further instability in the Balkans.

The Prime Minister: It is for precisely that reason that we need to push forward with enlargement. The point that the hon. Gentleman makes is right, but the Eurosceptic position, which is to say that Europe should be merely a free trade area, is certainly not the position of the Government. That is not my position and I do not believe that it is his, either. Our position is that there should be a social dimension to Europe. I believe that very strongly, but it must be a social dimension for today's world. If we had a proper social dimension in Europe today, we would be spending the European budget on things such as research and development, technology, skills, innovation and support for small businesses. If we did that, we would of course get enormous support from people in Europe.

I do not accept at all, and I know the hon. Gentleman does not really either, that a Eurosceptic position of saying, "Let's move Europe to a free trade area," is one that we endorse—we do not. I know that our position over the past few days has been characterised in certain countries as arguing for that, but that is just nonsense. As I said at the Council when someone tried to say that our position was that we just wanted a market Europe, we do not simply want a Europe that is a free market. We want a strong social dimension and I want a strong foreign policy and defence dimension to Europe. I believe in those things for Europe, but we can get a better deal for Europe, never mind Britain, in today's world than the one that we have.

Dr. Gavin Strang (Edinburgh, East) (Lab): In supporting my right hon. Friend, I put it to him that we should not lose sight of the achievements of the European Union. Does he agree that the accession of the eastern European states is a major advance and that making a success of enlargement should be a key priority in the years ahead?

The Prime Minister: Yes, my right hon. Friend is right. What is more, it is important to realise that the new accession countries are not in favour of a Europe that is simply a free trade area. If we put our argument in the wrong way—if we conduct the debate in the wrong way—we will lose their support when we need it.

Rev. Ian Paisley (North Antrim) (DUP): Does the right hon. Gentleman agree that the controversy raging over the Common Market and the common agricultural policy is a smokescreen to cover up the real issue, which is the rejection of the European constitution? Will he assure the House and the people of this United Kingdom that there will be no renegotiation of the rebate because a pistol from Europe has been put to his head or our head and that he will only go forward for that which is best for Britain, because what is best for Britain will be best for Europe? Will he assure the farming community that what they have been promised will come to them and that, if anybody has to be de-CAPed, it is not British farmers, but French ones?

The Prime Minister: I sort of agree with some of that. What is important is that the deal on the common agricultural policy in particular has got to be fairer and right for the future. Incidentally, it is also a fact that no one is saying that countries cannot take a decision to support their farming industry. The question is what should Europe be doing about the amount of money that it puts into the CAP.

Mr. Ronnie Campbell (Blyth Valley) (Lab): The Prime Minister has done a pretty good job in Europe over the past few days, but how on earth will Europe persuade the French farmers to cut half their subsidy, knowing their militancy?

The Prime Minister: We have to decide what is in the interests of everybody in Europe. As I said, it is not that countries cannot decide to support their industries and communities. That is fine. The question is what should Europe be doing. The trouble is that the CAP in its current form is a big distortion of expenditure.

Sir Peter Tapsell (Louth and Horncastle) (Con): Surely the Prime Minister is being too modest. I welcome his belated application to join the Eurosceptic club, to which most of our fellow countrymen are already subscribers. I invite him not to leave the European Union, however discredited it may become, but instead to carry through a great swathe of changes in our legislative relationships with Europe so that Britain can continue its historic role as a friendly, commercial, self-governing democracy.

The Prime Minister: I do not think that the hon. Gentleman and I really agree on the European Union. I still believe that it is essential for the British national interest. As someone once said,

"the United Kingdom's membership of the European Union is vital to our national interests, to our position in the world, to our nation's economy and . . . to the peace of Europe."—[*Official Report*, 20 June 1996; Vol. 279, c. 1095.]

Dr. Julian Lewis (New Forest, East) (Con): Not my words, Mr. Speaker, but those of . . .

The Prime Minister: That is right, they are not my words, but in this case they are not Margaret Thatcher's words either, but the words of the right hon. Member for Haltemprice and Howden (David Davis). That may be the new dispensation by which he is to be governed.

Sir Stuart Bell (Middlesbrough) (Lab): Building on the questions asked by my right hon. Friend the Member for Edinburgh, East (Dr. Strang) and my hon. Friends the Members for Leicester, East (Keith Vaz) and for Bolsover (Mr. Skinner), and the suggestion of the Leader of the Opposition, would it not be appropriate to have a debate in our country? We welcome the Prime Minister addressing the European Parliament on Thursday, but can we have a debate that tells our people about the prosperity, jobs, trade and the human rights platform that come from the European Union? Would not that be an appropriate way to fill the political vacuum referred to by my hon. Friend the Member for Bolsover?

The Prime Minister: I am sure that, as we should be, our country will be a major player in any debate about the future of Europe.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Central to opposition to the European Union has always been the question of democratic and accountable governance. Now that the people have come to realise that the network of treaties, institutional arrangements and European courts has denied them the opportunity to form the laws that they want, will the Prime Minister honour the pledge that he gave on the Floor of the House of Commons to have a referendum, notwithstanding what other countries did, so that we can finally drive a stake through the heart of those anti-democratic propositions?

The Prime Minister: I think that we have already gone through the position on the referendum. On his first point, the hon. Gentleman and some of his colleagues should be careful before endorsing and embracing entirely all the elements of the no votes in France and Holland. As I keep saying, many of those who voted no did so for reasons that have nothing to do with the position of British Euroscepticism.

Jeremy Corbyn (Islington, North) (Lab): Will the Prime Minister put my mind at rest? *[Interruption.]* Well, perhaps he can help me. I watched with interest the press conferences on Friday night. Toward the end of his contribution, the Prime Minister set out his vision of what Europe is about and talked about a competitive global economy. To my regret, he said nothing about environmental protection in Europe, protection of living standards and a welfare state, or the living standards of people in other parts of the world that have been damaged by the global market economy. Will he give us some idea of a vision of a more social Europe, rather than a free market Europe?

The Prime Minister: To put my hon. Friend's mind at rest might be too vaulting an ambition, but I can tell him that the social Europe in which I believe is, for example, a Europe in which we make it easier for people to transfer their skills across the EU; a Europe in which we invest in active welfare programmes, as we in this country are doing in the new deal for the unemployed; a Europe that spends more of its budget on science, research and development, so that in industries such as biotechnology, where we will face fierce competition from countries such as India and China, we can ensure that the industry grown here in the EU is strong. There is a range of social policies on which we can co-operate. However, what I do not think will bring a more competitive economy, either in this country or in Europe is, for example, supporting the provisions of the working time directive that were recently debated. That is a different vision of the European social model, not a vision that abandons that social model.

Mr. David Curry (Skipton and Ripon) (Con): Is there not a danger of enormous collateral damage resulting from the row? Is not one of the areas most at risk the World Trade Organisation talks on a new trade round, which could collapse because of disputes about agriculture—an issue on which Europe has to make a very large move if the talks are to progress? What will

the Prime Minister do to make sure that those incredibly important talks do not become a victim of Europe's internal rows?

The Prime Minister: The right hon. Gentleman is right to say that there are all sorts of risks and dangers in the debate. We have to make sure that enlargement countries understand our position, for example, and that people understand our position on the rebate, which is not that we are not prepared to discuss it or any changes to it, but that such discussions must take place in the context of a different approach by the EU. He is also right about the trade dangers. However, I think that we have reached the point where, unless we have the debate about what type of EU we want and conduct it from a pro-European perspective—the only perspective that will carry any weight in the rest of Europe—we will not get the right decisions on any of the issues, including the WTO. It is important that, at the end of the year, we have a strong European position on reform at the WTO. We will have to use every lever available to ensure that that happens, but we have passed the point where we can pretend that the debate is not needed.

Mr. Mark Hendrick (Preston) (Lab/Co-op): I commend my right hon. Friend's position on retaining the British rebate until the CAP is reformed further. In a year when Africa is top of the political agenda, the CAP in its present form is an obscenity. Will he comment on the front-page article in today's *Financial Times*, which says that the British presidency of the European Union will work to get a budget agreement before the end of the year?

The Prime Minister: It would be unrealistic to think that we are going to get agreement on an entire reform package over the next few months. What we can get—and this is all that we have sought—is a process of reform that allows us in the coming financial perspective to reorder budget priorities. We can say that, until we get such agreement, we are not discussing or debating the rebate. That is the right way to lever in change, and our ambition to secure that process of reform is achievable.

Mr. Adrian Sanders (Torbay) (LD): For as long as we exercise our veto on the removal of our veto, France will veto CAP reform. That is difficult enough with 15 member states, but with 25, there must be a new modus operandi or constitution. How does the Prime Minister see a way forward towards that?

The Prime Minister: That is why the constitution, in our judgment, represents a sensible set of rules for the future, but it has been rejected in two countries, and we must take account of that. On the other hand, I do not think that we will ever reach a decision that the European Council will not take such decisions on the basis of common agreement. If we had been in a position where we had agreed this deal last Friday, I really do not think that I could have recommended it to people. It was wrong in terms of the reform package, it was wrong in terms of finances for this country, and it was wrong in terms of the refusal to link those two things together. I do not think that we had the option of agreeing a deal, and it is unfortunate that our proposals, which were reasonable, were rejected.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Prime Minister rightly said that this is a case of reaching agreement not just among the politicians of Europe but among the people of Europe. Would that process not be helped by accepting the votes in the Netherlands and France and saying that the constitution was no longer on the table? That would allow him to focus on the important message: making Europe's economies fit for the 21st century and delivering jobs and economic prosperity. Then people will grow closer to the concept of the European Union.

The Prime Minister: I understand entirely what my hon. Friend is saying. Most people are now concentrating on the debate in the European Union. It is difficult when 10 countries have ratified the constitution, as they are naturally sensitive about being in a position where the rest of the Europe says that the constitution is over and done with. As I keep saying, one could have a theological argument about the state of the European constitution, but the fact is that the French and Dutch voted no. Those votes are there—unless they are got round, that is it.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): In light of the Prime Minister's call for a fundamental review of the European Union, its purpose and fitness for that purpose, can he explain why he continues adamantly to rule out the possibility of any return of powers and competences from the European institutions to the member states?

The Prime Minister: Because if we started a debate now about renegotiating our own treaty obligations to the rest of Europe, at a stroke we would lose any possibility of influencing the argument in the rest of Europe. I am sorry, but that is simply true. I will not bother reading out quotations from Conservatives when they were in government, as there is not any point in doing so. *[Interruption.]* Perhaps the right hon. Gentleman never made such statements, but I can assure him, without embarrassing too much the people who were in government at the time, that even the speech by Mrs. Thatcher at Bruges, if it were given today by a Conservative aspiring to the party leadership, would be considered rampantly pro-European. That is the truth. If we want to conduct the debate in a such a way as to suggest that the real point is how we get rid of the existing powers of the European Union, we would lose it before we started it, and that would not be sensible.

Martin Linton (Battersea) (Lab): Does my right hon. Friend agree that the most important aspect of our commitment to Africa is not the pressure, albeit that that is important, to increase aid, but our target of ending agricultural export subsidies by 2010? How can we end export subsidies by 2010 without fundamental reform of the common agricultural policy?

The Prime Minister: My hon. Friend is right, and that is exactly what we should do. As I said, it is perfectly reasonable to say that, as part of the refinancing of the European Union, the budget, everything in it, the CAP and the rebate, should all be looked at.

Mr. James Paice (South-East Cambridgeshire) (Con): The Prime Minister knows that there is little support in this country for using our taxpayers' money to support French farmers or to support subsidised exports of foodstuffs to the developing world, but he is aware that British farmers are already grappling with the biggest change in agriculture policy since 1947. Is he aware that his remarks in the past few days have caused considerable uncertainty and confusion at home among our farmers? In the light of his comments a few minutes ago, is he telling the House that if the CAP were to result in further reductions to farmers' payments above and beyond those already in train, the British Government would make them up to the level already planned?

The Prime Minister: Any budget decisions must be taken at a later time, but I understand the concerns of British farmers, as well as of European farmers. I am not standing here in order to have a go at French farmers and the support. What I am saying is that, unless we put in place a reform process that allows us over time to adjust the budget of the European Union, in the end we will find that we have an unsustainable position. That is the problem. If we do not have such a reform process in place, it will be 2014 before we can agree changes to the CAP. I am not advocating—this is important—changes tomorrow in the payments made to UK or other farmers. I am saying that, by the time we get to midway through the next financial perspective, we should have a clear plan as to how we are to make changes to the CAP. At the same time, we can work on other ways of supporting farmers in a more rational way.

Joan Walley (Stoke-on-Trent, North) (Lab): May I press the Prime Minister on the issues of globalisation and the environment raised by my hon. Friend the Member for Islington, North (Jeremy Corbyn)? Now that we must have a complete rethink, how can my right hon. Friend use his presidency to make sure that we put environmental issues and sustainable development at the heart of the budget that will have to be reformed?

The Prime Minister: What my hon. Friend says is right, in the sense that the environment is one area where Europe must act together. There is no point in Europe taking measures to deal with the challenge of global warming unless other countries are part of that. That is why we are trying to use the G8 to restart the process of binding in other countries—America, and obviously China and India as well. This is an area in which Europe can develop measures such as the emissions trading system, and where we can take common action to protect our environment. People talk about what is wrong with Europe, but as a result of the changes made in the regulation of the water industry, we have enormously improved the quality of our rivers, our drinking water and so on within the European Union. There is much that we can do. My hon. Friend is right—that is one area where it is important that Europe acts together.

Mr. Andrew Mackay (Bracknell) (Con): How long does the Prime Minister define a pause to be?

The Prime Minister: As long as it takes.

Hugh Bayley (City of York) (Lab): The need for CAP reform will clearly bounce back at the G8, because development and trade justice for Africa will be impossible without a substantial reduction in subsidy. At €10 billion, le chèque français is considerably greater than le chèque britannique. Did the Prime Minister ask President Chirac why French farmers need almost twice as much aid from the common agricultural policy as France gives to poor people in Africa, Asia and Latin America?

The Prime Minister: I did not quite approach the matter in that way. It is important to say, not just for the audience in the Chamber, but for the audience outside as well, that it is unreasonable to expect the whole system to change overnight. It is reasonable to expect that we have a process in place to change it. That is what we are asking for. In certain parts of the rest of the EU, it has been said that we were demanding an immediate, overnight change of all the priorities and trying to renegotiate the whole CAP on Friday night. That would be absurd and no one ever suggested it. What we are saying, however, is that we cannot wait until 2014 before we confront those issues.

Mr. John Maples (Stratford-on-Avon) (Con): I understand why the Prime Minister has closely linked the possibility of the reform of the rebate to the reform of the CAP, but it looks like that linkage might be rather difficult to achieve. Issues such as the elimination of external tariffs, the genuine completion of the single market, the services directive and the completion of the Lisbon agenda, which he promoted, are tremendously important to us and would be hugely beneficial to the British economy. Would it not be worth negotiating the rebate in the context of some or all of those issues?

The Prime Minister: I agree that those questions are important, but the financing deal must be fair to this country as well as to everyone else in Europe. We currently face a blockage on all fronts, which is a situation that must change. However, the hon. Gentleman is right that some other issues are every bit as important for the British economy, in the longer term at least.

Ms Dari Taylor (Stockton, South) (Lab): Does my right hon. Friend accept that many of the British electorate believe that EU funding is not only unfair and chaotic, but, frankly, corrupt? Will he use the presidency to ensure that the funding system is open, accountable and fair? Does he believe that the great European project could be fatally damaged if we do not achieve such a system?

The Prime Minister: I understand the points raised by my hon. Friend, and I will do my best.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the Prime Minister appreciate that one consequence of failing to set the budget is that west Wales and the valleys will lose up to £3 billion in objective 1 funding over the next seven years? If that is the case, will he give the House an unequivocal assurance that the Department of Trade and Industry will provide equal funding? Finally—in asking this question, I am hoping against hope—has he received any representations from the First Minister in Cardiff?

The Prime Minister: I do not think that the hon. Gentleman's point is right. It is important to emphasise that, for the last financial perspective, it was agreed at an equivalent time to March 2006. In other words, the fact that we have not reached an agreement now, in June 2005, does not mean that we cannot reach an agreement before the financial perspective comes into effect. The hon. Gentleman's description of the impact of not achieving a financial perspective is inaccurate. If we do not reach a proper financial perspective, the accession countries will have the real problem, which is why I am keen to resolve the situation.

Mike Gapes (Ilford, South) (Lab/Co-op): I welcome the Prime Minister's statement that this country will continue to champion enlargement, but will he assure me that the accession talks with Turkey will open at the end of the year and that those talks will not be blocked by opponents from other countries? Will he also reassure me that the EU will continue to be a beacon for democracy and good governance in the countries of the former Yugoslavia, otherwise we face a resurgence of nationalism in this continent?

The Prime Minister: It is important that we keep to our obligations in respect of Turkey, which we intend to take forward in the proper way in our presidency. My hon. Friend is right to say that, if we were to block off further enlargement, it would have a damaging effect on our relations right across the world.

Mr. John Redwood (Wokingham) (Con): Will the UK Government table a paper on the budget, in a spirit helpful to our partners, pointing out that, according to the auditors, the sums lost through fraud and waste are more than twice the size of the British rebate? Would it not be productive to obtain agreement from those partners to tackle fraud and waste, in which case we would have some money to sort out whether other countries should get rebates or whether we should back certain worthy programmes?

The Prime Minister: I thank the right hon. Gentleman for that helpful advice, which I shall pause to reflect on.

Chris Bryant (Rhondda) (Lab): The Prime Minister is surely right to say that there should be a period of reflection, but does he worry that too long a period of introspection in the European Union could lead to greater political and economic sclerosis? We must take swift action on many issues, because China and India are unlikely to hang around waiting for us to reform our economies, and security in the Maghreb must be significantly enhanced. How does the Prime Minister propose to get back on track over the next six months?

The Prime Minister: My hon. Friend is right that we need to make progress quickly, particularly on the economic reform agenda, and one way to do so is to raise the issues that he mentioned. As I shall say to the European Parliament on Thursday, economic competition cannot be considered introspectively, and we must assess the fact that major countries outside the EU are offering new and different competition.

Mr. David Heathcoat-Amory (Wells) (Con): I congratulate the Prime Minister on treading the familiar path for British Prime Ministers from uncritical acceptance to a realistic Euroscepticism. May I invite him to take one small further step by admitting publicly that 25 free countries cannot be squeezed into a single centralised European structure? Will he instead be creative and bold by taking a lead in Europe and publishing alternative proposals for a treaty relationship—he can call it "new Europe" if he likes—that celebrates diversity and would not only be more democratic but stop the ridiculous rows at European summits that are caused by the endless rush towards centralisation?

The Prime Minister: I suppose that realistic Euroscepticism is better than unrealistic Euroscepticism. However, the problem with the programme that the right hon. Gentleman outlines is that we would not gain support for it in the rest of Europe—it would alienate people in the rest of Europe. Furthermore, if we were to retreat to such a position and make Europe the type of area that he is thinking of, that would not be to the benefit of this country or of Europe. I caution him against thinking that the no votes in France and Holland are a vote for the type of vision that he outlines—I really do not think that they are.

Orders of the Day

Violent Crime Reduction Bill

[Relevant documents: The Fifth Report from the Home Affairs Committee, Session 2004–05, HC80, on Anti-Social Behaviour, and the Government's reply thereto, Cm 6588.]

Order for Second Reading read.

4.31 pm

The Secretary of State for the Home Department (Mr. Charles Clarke): I beg to move, That the Bill be now read a Second time.

I rise to invite the House to give a Second Reading to the Violent Crime Reduction Bill. As colleagues on both sides of the House will know, the introduction of the Bill was a manifesto commitment at the general election. It reflected deep concerns that existed in many parts of the country and were in turn reflected in the election debate. I believe that the steps that we are setting out today will make a contribution towards addressing those concerns in a serious and positive way.

It will be clear to everyone that violent crime takes a wide variety of forms, ranging from common assault, often fuelled by alcohol, through to more serious crimes such as sexual assault and crimes where guns, knives and other offensive weapons are used, which can lead in extreme cases to homicide. Although the British crime survey data show considerable falls in violent crime since 1997—by about 26 per cent.—it remains the case that in many parts of the country there is high, and genuine, concern about the level of violent crime, and a strong desire, reflected, I am sure, by Members on both sides of the House, to take the most appropriate steps to deal with it.

The proposals in the Bill are part of our ongoing work to tackle violent crime in all forms and to make the country much safer for its law-abiding citizens. The overall objection of the legislation is to provide the police and local communities with the powers that they need in two specific areas: first, alcohol-related violence; and secondly, the use of weapons, particularly guns and knives.

I want to deal first with alcohol-related violence and disorder. It is obvious, I think, that alcohol misuse is closely linked with a wide range of crime, disorder and antisocial behaviour. It is a highly visible part of the night-time economy and, moreover, a phenomenon no longer confined to weekends. The British crime survey shows that 33 per cent. of stranger and 25 per cent. of acquaintance alcohol-related assaults happen on weekday evenings and nights. The effects are widely apparent and have an impact on large numbers of people in a variety of ways.

Richard Ottaway (Croydon, South) (Con): I welcome the proposals in the Bill, but cannot the Home Secretary see the inconsistency between these measures to tackle alcohol-related crime and the expansion of the consumption of alcohol through 24-hour drinking?

Mr. Clarke: There is no inconsistency at all, for reasons that I am about to explain.

It is obviously true that responsibility for ending the binge-drinking culture must ultimately lie with the individual. That is the point in relation to the hon. Gentleman's intervention. I am sure that he has many friends who, late at night after a meal or going to the cinema, might welcome the chance to have a drink afterwards with their friends in a way that is absolutely no threat to the security of the community in which they live. That is true throughout the country and it is a reasonable part of civilised life. In this country and throughout Europe, we have seen that that can happen in a proper way. The point is to distinguish between such perfectly civilised activity and the binge drinking and horizontal and vertical drinking culture that is such a serious problem. *[Interruption.]* I meant vertical drinking, which leads to horizontal drinking. That was the confusion in my language on which hon. Members picked up.

Mr. Frank Field (Birkenhead) (Lab): The Anti-social Behaviour Act 2003 gives local authorities the powers to try to prevent the cumulative impact of a concentration of places where people might drink standing up or lying down. I hope that all local authorities will be serious about trying to apply those powers.

In the Wirral, there is another concern. On weekday and weekend evenings, part of the centre of the Birkenhead resembles the wild west on speed. We are worried that such centres will spread to other parts of the Wirral where there are currently no licences. If the local authority and local Members can devise a suitable amendment, will my right hon. Friend consider favourably granting local authorities the powers to refuse the first licence if they fear that the relevant area will go the same way as the centre of Birkenhead?

Mr. Clarke: We will consider such aspects. The Licensing Act 2003 and the Bill allow local authorities in the Wirral and elsewhere, working with the police, to define matters of greatest concern. As I shall explain shortly, I hope that the Bill gives the powers that are needed. However, the short answer is yes; if necessary, we shall consider amendments to deal with such an eventuality.

Responsibility must ultimately lie with the individual. However, the industry and licensed premises also have a role to play—that is a critical point. Legislation, therefore, has a firm part to play. I shall set out the five provisions on alcohol-related violence that the Bill includes.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): My right hon. Friend mentioned the responsibility of the licensees and the licensed premises. Does he know about the scheme in Blackpool, whereby the Licensees Forum works constructively with the local authority and the police, who then police licensed premises in the Blackpool area? Will he consider the expansion elsewhere of such schemes, for example the excellent night safe scheme, and of good practice, so that the licensed premises, the police and the local authorities genuinely work together to ensure the safety of those who want to drink in the evenings?

Mr. Clarke: I agree with my hon. Friend. Blackpool is one of the parts of the country where all sectors of the community, including the people who run businesses

and know that they will be successful only in a climate that is secure for the wider community, work together. People have come together in a scheme to which I pay tribute. In my constituency in Norwich, a similar relationship operates in the nightclub areas. That has been positive. I believe that the provisions will encourage people to consider the example of Blackpool and elsewhere and make progress in their communities.

The Bill contains five specific provisions to deal with alcohol. The first is drinking banning orders. The measure provides for a new civil order, called a drinking banning order, which can be made against an individual who is engaged in criminal or disorderly conduct while under the influence of alcohol, and when such an order is necessary to protect other people from further harm. The order could impose any provision to protect others from criminal disorderly conduct while under the influence of alcohol. The length of the order will be between a minimum of two months and a maximum of two years. The order will be much more targeted than antisocial behaviour orders. Although ASBOs may be relevant in some circumstances, drinking banning orders will be more appropriate when the basic problem is binge drinking and alcohol-fuelled behaviour, pure and simple, and when there is a need for more flexible time limits on a ban.

Hugh Bayley (City of York) (Lab): As I understand it, under current legislation, magistrates can impose a drinking ban on somebody convicted of an offence on licensed premises. However, it is also important to be able to impose a ban on those who are convicted of offences such as disorderly behaviour outside licensed premises. Will the Bill allow that to happen?

Mr. Clarke: My hon. Friend is entirely correct, and the short answer is yes, it will. The drinking banning order is necessary precisely for the reason that he implies. It is important to deal with disorder within premises, but it is also important to have powers to deal with disorder outside premises in areas in which a large number of premises are grouped together.

Mr. Mark Oaten (Winchester) (LD): Will the Home Secretary explain how the new offence will differ from the offence involving drunk and disorderly behaviour?

Mr. Clarke: Drunk and disorderly behaviour is specifically an offence relating to someone's drinking. The new offence will allow a drinking banning order to be put in place when the problem is not simply one of drunkenness but of other antisocial and disreputable behaviour in the locality. I regret to say that such instances are only too common.

David Davis (Haltemprice and Howden) (Con): The Home Secretary will remember that, when we were discussing the so-called 24-hour drinking proposals, we suggested that they should be held off until the effectiveness of these alcohol disorder zones and drinking banning orders had been proven. Will he assess their effectiveness regularly during the early part of their implementation?

Mr. Clarke: Very much so. We shall look very carefully at their effectiveness not only before the legislation comes into force but throughout their existence. We shall also ensure that there is every opportunity for licensees to behave in the way described by my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), and to get their act in order. That would be the best solution for many of the places that we are talking about.

The second measure in the Bill involves the direction to individuals to leave a locality. The Bill also provides for new powers for the police to issue a direction to leave a locality to an individual aged at least 16 who is in a public place, and to prohibit his or her return for up to 48 hours. A direction could be given if the presence of the individual in the locality was likely to cause or contribute to alcohol-related crime or disorder, or to its continuation or repetition. A direction could be given to a person involved in any offence or disorder where alcohol was involved, and the provision is not limited to those offences relating specifically to drunk and disorderly behaviour.

David Howarth (Cambridge) (LD): I am trying to understand the place of local authorities in the strategy that is being put forward. There is an oddity in the Bill that I cannot explain, but I hope that the Home Secretary will have an explanation for it. In relation to the drinking banning orders, clause 11 gives a role to county councils but not to district councils where a county council exists. However, it is the other way round in clause 17, which deals with alcohol disorder zones. I fail to understand the purpose of that distinction.

Mr. Clarke: The orders are different, and the key relationships are those between the local authority on the one side and the police on the other. That runs right through this legislation. However, I am quite happy for any inconsistency between county and district councils in regard to particular orders to be explored in Committee, if the issue would be better served by such a debate.

Dr. John Pugh (Southport) (LD): As I understand it, there would be no criminal accusation made in regard to someone being asked to leave a locality. However, loss of reputation could result from any publicity involved. If an individual were incorrectly identified by the police—and such errors will eventually be made—what recourse would he have, other than to go through the police complaints procedure?

Mr. Clarke: I presume that that is not a request by the Liberal Democrats for the Identity Cards Bill to be brought in even more rapidly.

David Davis: He would be on his own.

Mr. Clarke: Of course, a person would have recourse to the police complaints procedure, and to getting his or her case taken up in that way. However, I want to make a serious response about proportionality. In relation to the hypothetical situation in which a whole series of offences could be committed in a particular area, the sanctions that we are proposing are not enormous. Examples include an individual being asked to leave a locality for up to 48 hours, or the imposition of a drinking banning order lasting between two months and

[Mr. Clarke]

a maximum of two years. I acknowledge that there will be consequences, however, and if an individual has been wrongly accused, he will be able to have his case taken up. However, there is a difference in proportion between an issue of that kind and some of the other scales of penalty that can be applied, and that needs to be taken fully into account.

The third measure covered here relates to alcohol disorder zones. As I have said, as well as individuals, the industry and licensed premises have a major role in helping to end the binge-drinking culture, for the simple reason that nearly half all violent crime is alcohol-related. One in five violent incidents take place around pubs or clubs, and 35 per cent. of hospital accident and emergency admissions are alcohol-related. That rises to 70 per cent. between midnight and 5 am. Parts of too many of our towns and cities have become unpleasant places to visit on some evenings, and that can be exacerbated by a mixture of poor operating practice in certain sections of the trade and public spaces having to cope with large numbers of people heading for the town centres.

I welcome the steps that some in the trade have already taken to raise operating standards. Initiatives such as the one mentioned by my hon. Friend the Member for Blackpool, North and Fleetwood, the best bar none accreditation scheme first launched in Manchester, and the constructive work of the trade associations to develop clear standards for responsible retail of alcohol—for instance, the recently published document on drinks promotions—are steps in the right direction, and we want to encourage them. There is more to be done, however. The Licensing Act 2003 gives the police and local authorities more powers to come down hard on irresponsible operators, and we need to make sure that the powers to review licences are used to their maximum potential.

I nevertheless think it incumbent on us all to face the fact mentioned by my hon. Friend the Member for City of York (Hugh Bayley). Much alcohol-related disorder in town and city centres at night takes place in the streets around pubs and clubs rather than inside them. That requires a change of approach.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Why has the number of convictions for being drunk and disorderly fallen from about 40,000 in 1984 to about 25,000 20 years later? Are the existing laws not being enforced properly?

Mr. Clarke: I think that there is an issue of enforcement generally. The Bill's key message is that powers need to be enforced more effectively, but we must also ensure that the police have the powers that they need to deal with offences. Part of the problem, as I have said, is behaviour in certain localities in towns and cities.

Mr. David Jones (Clwyd, West) (Con) *rose—*

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC) *rose—*

Mr. Clarke: I will give way when I have made a little more progress.

It is difficult to blame a particular pub, club or off-licence for disorder in public places, but that does not mean that premises can deny all responsibility. We want the industry to take collective responsibility for the problem. The Bill proposes a new power to designate alcohol disorder zones where there is a significant problem with alcohol-related disorder. Local authorities will be able to impose charges on pubs, clubs and off-licences within the boundaries of the zone if they fail to implement an action plan designed to tackle the problem.

Let me stress that the front-page story in the *Daily Express* suggesting that certain kinds of institution will be excluded from that power is entirely wrong. Clause 12(7) explains why. It is necessary for us to deal in this way with all the generators of alcohol abuse in a particular locality. I should make it clear, however, that alcohol disorder zones will be a measure of last resort. They would be used if licensed premises in the area were unwilling to take steps to deal with the problems voluntarily. The focus is on ensuring that action is taken to change the situation, and we believe that the threat of charges would be a powerful incentive for premises to participate voluntarily. The action plan will be tailored to individual local problems and solutions, and we will set up a practitioner-level working group to consider what might be a typical example. That is why the Local Government Association and the Association of Chief Police Officers have welcomed our proposals.

Mr. Llwyd: Why do so few convictions occur each year for the selling of alcohol on licensed premises to people who are inebriated? The law is quite clear, and easily enforceable.

Mr. Clarke: I think it is because the partnerships between local authorities, police and licensees are not anywhere near as strong as they need to be in all parts of the country to achieve the policing that the hon. Gentleman describes. One of the major arguments for the Bill is that it would create that sense of corporate responsibility. I believe that this is the way forward.

Mr. David Jones: Does the Home Secretary agree that much of the disorder on our streets is caused not only by those who are intoxicated with alcohol but by those who are intoxicated with a cocktail of drugs and alcohol, and that nothing in the Bill does anything to address the drugs element that is causing disorder on our streets? Does he agree that the downgrading of cannabis was a retrograde step and should be amended?

Mr. Clarke: The drugs issues were addressed in the Drugs Bill, which became an Act at the end of the last Parliament. Obviously, the relationship that the hon. Gentleman describes exists, but we have decided, rightly, to focus in this legislation on alcohol-related aspects of disorder.

John Bercow (Buckingham) (Con): Further to the inquiry of my hon. Friend the Member for Clwyd, West (Mr. Jones), may I put it to the right hon. Gentleman that he should not lose sight of the importance of the drugs point? As I understand it, two thirds of the Government's flagship drug rehabilitation places have been terminated without the individual participant in

them completing his or her term, yet the Government envisage an expansion in the number of places. Will he confirm, if he is intending to go ahead with that expansion, that he has in mind the length of time that each placement should last and how he intends to ensure that participants complete their term?

Mr. Clarke: First, let me say that this Government have given more attention to the issue of drug abuse than any previous Government by a very long way. We have tackled the issue both through legislation and by making the necessary resources available. However, I do not believe that we have solved the problem by a long way. There is a great deal to do, as has been described, but I will not debate the drugs issue in the context of this legislation, which is to do with alcohol and guns and knives.

Mr. John Denham (Southampton, Itchen) (Lab): Does my right hon. Friend agree that the problem of alcohol-related disorder appears to affect all cities, many suburban areas and a large number of smaller towns? Does he therefore expect most right hon. and hon. Members to have alcohol disorder zones declared in their constituencies?

Mr. Clarke: I hope that the answer to that question is no, not because I disagree with my right hon. Friend's analysis—there is an issue in most of our constituencies to some degree or other, and certainly in a great city such as Southampton and others—but because the aim of our approach is to change the culture significantly. I hope that the kind of approach that my hon. Friend the Member for Blackpool, North and Fleetwood described in her intervention is the kind of approach that will be taken up and down the country, reinforced by the Licensing Act 2003, giving the local authority, together with the police, responsibility for dealing with the matter. If what my right hon. Friend described happened throughout the country, I would regard that as a failure. It would be a success if we had a relatively small number of alcohol disorder zones and changed behaviour in towns, cities and suburbs throughout the country in the way everyone wants. I am certain that that is the right direction to go in.

David Lepper (Brighton, Pavilion) (Lab/Co-op): May I first put on the record a non-registrable interest, in that my wife chairs the licensing committee of Brighton and Hove city council?

Mr. Kevan Jones (North Durham) (Lab): Fine job she does too.

David Lepper: I thank my hon. Friend.

I welcome the proposals that the Home Secretary has put before us and has just outlined, although I suspect that the close working between the local authority, the police and the licensed trade in Brighton and Hove may mean that we will have no alcohol disorder zones. However, once these measures are on the statute book, will he liaise closely with the Lord Chancellor? I have in mind the fact that, in relation to antisocial behaviour orders—I think that there is a parallel—there is concern still that magistrates are perhaps not as aware as they might be of the full range of their powers. I suspect that, when this Bill becomes law, they may not be fully aware of the range of their powers when these orders are breached.

Mr. Clarke: I am grateful to respond to such a well informed contribution. I certainly will liaise with the Lord Chancellor. As with ASBOs, ensuring that everyone understands exactly what the legislation does and how it is to be enforced is critical to its success. As I implied in my answers to interventions earlier, the single most important ambition we have in relation to this part of the Bill is to change behaviour. I agree that, in Blackpool, as in Brighton and Hove, there is a focus on solving the problem effectively. I hope that the Bill will provide more strength to the elbow of those seeking to do that.

Ms Dari Taylor (Stockton, South) (Lab): Will my right hon. Friend accept that a change in attitude and behaviour is taking place in Stockton, where there is a voluntary agreement between the local authority and Cleveland police? In two months, crimes of violence were reduced by more than 20 per cent. One can see that the change in behaviour is encouraging people to respect and enjoy the night time economy.

Mr. Clarke: I accept what my hon. Friend says. I was fortunate enough to visit her in Stockton a couple of months ago for a seminar on domestic violence, which brings to mind another important point. A central reason for achieving the change in behaviour to which she refers is to reduce domestic violence, which is so often alcohol-fuelled. That point was made by participants at the seminar and I am happy to give credit on that specific example.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the Home Secretary agree that there may be a lack of incentive for good landlords if they are treated the same as the bad landlords in a disorder zone?

Mr. Clarke: First, there is a clear difference between the way in which the law treats good and bad landlords, in the sense that the bad landlords will have a series of sanctions that apply against them, and rightly so, while the good landlord will not. Secondly, it is important to stimulate every landlord, good or bad, to recognise that the welfare of an area depends on all landlords working together to drive out the bad and encourage the good. I believe that the Bill will help with that.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Home Secretary clarify the role of the armed forces in relation to the police, as we are getting mixed messages on exactly what they are supposed to do? Would it not set a bad precedent if we saw the armed forces patrolling with the police on our streets?

Mr. Clarke: The hon. Gentleman is referring to a story in the newspapers whose source I am still trying to discover. I do not recognise the descriptions in the newspapers; not an uncommon experience for me. However, the military police—rightly, in certain circumstances—are active in certain communities in

[Mr. Clarke]

terms of policing individuals in the military. I know the story to which he refers but I cannot give him any help with it.

David Davis: Would the Home Secretary let us know the outcome of his investigation into this matter? *The Sunday Telegraph* reported that there had been a pilot study in Royston in Hertfordshire. If so, I should have thought that it would be available to his Department almost immediately.

Mr. Clarke: In a spirit of co-operation, as always, I will be happy to write to the right hon. Gentleman with the results of my investigations when they take place. However, those investigations cannot be into the ways of news reporters, even on such august journals as *The Sunday Telegraph*, with which the right hon. Gentleman is keen to curry favour at the moment. But I certainly will write to him.

The fourth measure relating to alcohol disorder zones, but also to knives and guns, is the fulfilment of the commitment that will require those pubs and clubs that are at risk to search for knives and guns on entry to a club. This is a key step in our work to change the culture of carrying offensive weapons and will serve as a deterrent. The licence review provisions in the Bill supplement existing arrangements in the Licensing Act to expedite reviews of premises, and the licensing authority can act quickly to deal with the situation. We have not restricted the provision just to searching for weapons and glass. We want to provide an effective power that can be used flexibly, but it is important that licensees have more powers to deal with the situation and that the police have more powers to ensure that they do.

Jeremy Wright (Rugby and Kenilworth) (Con): The Home Secretary will agree that the measures in the Bill, worthy as they may be, will only work if they can be enforced. Will he look again at the crippling burden of paperwork on our police officers so that they can get on with enforcing these measures?

Mr. Clarke: Yes.

The fifth measure in the Bill is the crime of persistently selling alcohol to children. The House has grappled for some years and on many different occasions with the unlawful sale of alcohol to children. Since 1988, progressive changes to the licensing law have attempted to create more effective powers to deter such irresponsible retailing. However, the number of children under 16 who consume alcohol has not changed significantly since 1988. About a quarter drink alcohol, but in one important sense at least, the position is deteriorating: those young people who do drink are drinking more. In the past decade, the average number of units of alcohol consumed per week by such children has almost doubled—from 5.3 units in 1990 to 9.8 units in 2001. That should concern us all.

The responsible parts of the alcohol industry, which helped us to establish enforcement campaigns such as last summer's alcohol misuse enforcement campaign, are as disturbed as we are by those results. Alcohol is obviously a contributory factor in raising levels of youth crime. This Bill will create a more robust deterrent to unlawful sales by threatening the profits of irresponsible businesses, rather than just the individuals making the sales. So the Bill will create a new offence of persistently selling alcohol to children if, on three or more different occasions in a period of up to three consecutive months, alcohol is unlawfully sold on the same premises to a person aged under 18. The penalty for the new offence on summary conviction will be a fine not exceeding £10,000. Where the offender is the licence holder, the premises' licence could be suspended for up to three months.

But the Bill goes further than that. On detecting an alleged offence, it will be open to the police and trading standards officers to serve a closure notice requiring the licence holder to cease sales of alcohol on a specified date for 48 hours, or face trial in the courts.

Mr. Llwyd: The right hon. Gentleman is being very generous in giving way. I greatly welcome what he has just said, but will he reconsider the question of allowing the Portman Group voluntarily to regulate the advertising of alcopops?

Mr. Clarke: I greatly respect the work of the Portman Group, which has worked very hard over the years—it is true that it is funded by the industry—to reach the position where we have more responsible drinking generally. On regulating the sales of particular drinks, however, it is better if possible to proceed by way of voluntary, rather than statutory, arrangements. There are some who do not agree with that approach and perhaps the hon. Gentleman is among them, but I think it better in principle to establish a set of voluntary agreements. In fact, the Minister for Policing, Security and Community Safety, my right hon. Friend the Member for Salford (Hazel Blears), through her own advocacy, secured some progress on this issue and I hope that we can move further in that direction. We should take that as our starting point, rather than going further and trying statutorily to define the types of drink that can and cannot be sold.

Helen Jones (Warrington, North) (Lab): In addition to the Bill's provisions on dealing with those who persistently sell alcohol to children, will my right hon. Friend undertake to look in Committee at the penalties for those who purchase alcohol for minors? In my constituency, most of our problems are caused by kids standing outside off-licences and getting someone to go in and buy alcohol for them.

Mr. Clarke: My hon. Friend's point is powerful and true—I have seen precisely that happen in some parts of the country. I can confirm that in Committee we will consider whether there is a better way to target penalties in that regard.

The second major issue that the Bill addresses is the abuse of weapons, particularly guns and knives. Again, there are five specific measures to which I want to draw attention, the first of which concerns using someone to mind a weapon. It is already an offence illegally to possess an unlawful firearm, and to carry knives and other weapons in public without reasonable excuse. The Criminal Justice Act 2003 introduced a mandatory

minimum sentence of five years for illegal possession of an unlawful firearm, but the truth is that offenders can skirt the law by using other people—their friends, family or siblings—to carry their weapons or to hide them for them, in a manner not dissimilar to that which my hon. Friend referred to in respect of the purchase of alcohol. As well as such a person's being put at risk of harm from the weapon, they are also at risk of prosecution, while the offender escapes scot-free. In cases where children are used, they may be at risk of the longer-term harm of involvement in gun and knife crime, as a result of such early association with weapons.

It is clear that we need to close this loophole, so the Bill will make it an offence to use a person to hide or to carry a knife or firearm. In addition, if a young person under the age of 18 has been used, it must be regarded as an aggravating factor, which will affect the length of the sentence handed down. The penalties for this offence will be in line with those already existing for possession and send a very clear message that we will not tolerate the possession of such weapons in our society and that passing them on to another person, particularly if that person is a child, will not leave someone in the clear.

The second measure in this part of the Bill deals with air weapons—a matter of great concern across the House.

Mr. James Clappison (Hertsmere) (Con): If, as the Home Secretary says, it is right—I am sure that it is—that using a young person to mind one of these weapons is an aggravating factor, is there not a case for applying an even more severe sentence for such an offence than would apply for mere possession?

Mr. Clarke: There is a case for that and I am prepared to consider amendments to that effect in Committee. It is important to get this matter right and the Committee will look into it in detail. Overall, it is right for the offences to be introduced in the way that I said.

Airgun safety and incidents of misuse are matters of real public concern and I am sure that hon. Members on both sides of the House will have had such concerns put to them by their constituents. In 2003–04, air weapons were used in 13,756 crimes—a fall of 0.5 per cent. from the previous year, but a 59 per cent. increase from 1998–99. Most offences were criminal damage, but even so there were 2,238 slight injuries and 157 serious injuries. We would all have read with horror the details of the tragic deaths of two-year-old Andrew Morton in Glasgow and 12-year-old Alex Cole in Doncaster. They underline the concerns expressed, and arouse—universally in the House, I am sure—a feeling of deep sympathy for the families and friends.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Home Secretary refers to the tragic case of Andrew Morton, which has excited considerable press comment and, indeed, political comment in Scotland. Has he discussed the provisions of clause 26 with the First Minister or the Minister for Justice in Scotland and, if so, have they pronounced themselves content?

Mr. Clarke: I have discussed that specific clause and the issue with both the First Minister and the Minister for Justice. We are still working to see whether any further amendment could usefully be made to deal with circumstances in Scotland. Both parties held a press conference during the election campaign and subsequently there were ministerial discussions and my officials and those of the Scottish Executive are discussing all the time how best to make progress in these areas. As to whether they are content, that is a difficult word to use in this context and I shall explain why.

The call was made for a licensing regime for all airguns. I did not go down that path because there were substantial representations from the police—including the police in Scotland—to the effect that expressly licensing airguns in the same way as firearms would lead to a bureaucratic and ineffective system that would not deliver the result that people wanted. There are still those who believe that we should nevertheless go down that route and I have no doubt that it will still be debated as the Bill proceeds and perhaps also in the Scottish Parliament. It remains important to reflect carefully on it.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op) *rose—*

Mr. Mike Weir (Angus) (SNP) *rose—*

Mr. Clarke: I shall give way to both hon. Members in a few moments, but I want first to set out what we intend to do about airguns.

There is already a wide range of controls on air weapons, but in view of the high number of offences, we need to tighten up on certain aspects. Much of the misuse is attributed to young people, which is why we will be raising from 17 to 18 the minimum age for possessing or acquiring air weapons. We also propose to make it an offence for any person to fire an air weapon beyond the boundary of premises. We view that as particularly important, as weapons discharged from premises generally are a real danger around and about, so the new offence is right. It is already an offence for a person under 17 and adults who misuse air weapons can be prosecuted for other offences, but that measure has not always been effective. I am mindful of a case where two men fired shots from their balcony and hit a woman. Although the men admitted firing the guns, the police could not prove intent or who fired the crucial shot. The new offence will close that loophole.

Mark Lazarowicz: Although the measures that my right hon. Friend has outlined are welcome, will he think again about a licensing scheme or indeed a ban on airguns? Although some police officers are against such a scheme, many senior figures in the police are in favour of a licensing scheme. Even if there were discussions to introduce such a scheme or a ban in Scotland, which I would welcome, the issue applies throughout the UK. I do not want people to be able to buy guns in Berwick-upon-Tweed or Carlisle and use them in Edinburgh where there may be a different regime.

Mr. Clarke: My hon. Friend is right about the need for a similar regime throughout the UK. I can assure him and other Members that I will listen carefully to debate on these matters and to the points of argument that are put. All my instincts—I know this is true of my

[Mr. Clarke]

hon. Friend, too—would be against those who used airguns in such ways and we need effective regulation. We have carefully considered the best way to do that, but I shall certainly listen carefully to debates in the House, in Committee and elsewhere about how best to address the problem in a way that works. I am sure that my hon. Friend and I share the view that we should act only in a way that is actually effective and that is the key test that we have to establish.

Mr. Weir: Given the points made by the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz), the Home Secretary can see that there is cross-party consensus in Scotland on the matter. There may indeed be a desire to go further than the provisions in the Bill. The Home Secretary said that he prefers a UK-wide system, but if it were demonstrated that there was cross-party consensus in Scotland to go further, would he look into transferring to the Scottish Parliament the power to consider setting up a stronger system in Scotland?

Mr. Clarke: The view taken at the time of the original devolution legislation was that the distribution of guns was rightly a UK issue, for precisely the reasons given by my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz)—that people could buy guns on one side of the border and take them to the other. There should be UK resolution of that issue, so I do not have in mind the prospect of devolving that aspect of legislation to the Scottish Parliament. With respect, I know that the focus of the hon. Gentleman's party is on where the devolution line falls—or does not fall—but he would be on stronger ground if he talked to his colleagues in other parties about the best means for dealing with air weapons across the UK.

In relation to ammunition, we shall be unrelenting in our efforts to ensure that police and local communities are successful in tackling gun crime. As I have already indicated, there have been successes, but although it is an offence to possess full rounds of ammunition without a certificate the current law does not apply to component parts. That has given rise to police concern that some criminals try to escape prosecution by holding ammunition in its component form and we intend to make that illegal.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): May I return briefly to an earlier point? Recently, an air weapon was fired into a school playground in my constituency and I should be grateful if my right hon. Friend would consider making that an aggravated offence.

Mr. Clarke: I certainly shall consider that proposal, which is a fair point to raise. Indeed, making it illegal to discharge an airgun from any premise would bear directly on the incident that my hon. Friend described. The offence of aggravation for discharging a weapon—for example, into a school playground—could be properly considered in Committee.

The third measure on weapons relates to imitation firearms.

Mrs. Siân C. James (Swansea, East) (Lab): Can my right hon. Friend give any assurance to my constituent, Mr. Peter Dyson, who has written to me expressing concern that plans to limit the use of replica guns will affect him and others who enjoy the sport of airsofting in a responsible and law-abiding manner?

Mr. Clarke: I, too, have received correspondence on that matter and if my hon. Friend will allow me, I shall respond on airsoft and one or two of the other lobbies in a second, when I have outlined our overall approach.

The overall approach set out in the Bill on imitation firearms acknowledges the fact that in 2003–04 such weapons were used in 2,146 crimes, an increase of 18 per cent., on top of a 46 per cent. increase in the previous year. That accounts for 21 per cent.—more than a fifth—of firearms crime if we exclude offences committed with air weapons. Some 75 per cent. of offences involving imitation weapons constituted violence against the person. That is wholly unacceptable, and the whole House would agree that it is necessary for us to legislate on those issues.

It is true that a range of existing controls governs the misuse of imitation weapons. Those controls will remain in place and continue to be enforced, but they have been proved insufficient to halt the upward trend, which seems to be fuelled in part by the success of measures to tackle the misuse of real firearms, such as the five-year minimum sentence for possessing a prohibited firearm.

Of course, defining an imitation weapon has always been difficult. At present, the law refers to anything that has the appearance of a firearm whether or not it is capable of discharging any shot, bullet or other missile. That definition works in practice by virtue of the fact that it is subject to a qualifier relating either to the weapon's design: whether it is readily convertible; or to its misuse: whether it is possessed to cause fear of unlawful violence. However, it is a wide-ranging definition, and we want to bear down most of all on those weapons that closely resemble real firearms, which are being increasingly used to threaten, intimidate or rob.

If most of us saw one of the imitation weapons that I am talking about lying on a table alongside a real gun, we would not be able to tell the difference between them without picking them up. We will therefore make it an offence to manufacture, import or sell a realistic imitation. Under the definition that we use, an imitation will be caught by the new offence if it is indistinguishable from a certain make or model, or is sufficiently similar to a generic type of firearm.

We know only too well about the problems for the police when armed units are called out in response to reports of people seen with guns. Often, the person is a youngster, brandishing an imitation that they are misusing deliberately, recklessly or with little appreciation of the consequences. A restriction on the age at which any imitation can be sold or purchased will help to reduce the incidence of misuse, and we propose a minimum age of 18.

We have accepted that a total ban on the possession of imitation firearms is impractical for a variety of reasons, which is why we propose to double the penalty for possessing an imitation firearm in a public place without reasonable excuse. We are saying, loud and clear, that messing around in public with anything that resembles a gun is simply not acceptable, and unless people heed that message, they could go to prison for up to 12 months.

The point about airsoft made by my hon. Friend the Member for Swansea, East (Mrs. James) also applies to paintballing, re-enactment societies and use in television and film, where a legitimate case may be made for a certain use—I emphasise the word "may"—so we set out in clause 32 the power for the Secretary of State to regulate exemptions in such circumstances. I will listen to such representations, but those representations would have to make a very powerful case for a certain exemption. That is the criteria that I would use.

Mr. Robert Marshall-Andrews (Medway) (Lab): On this part of the Bill, will the Home Secretary accept my appreciation in respect of two matters? First, I appreciate the clarity with which he has dealt with the perceived problem of definitions, so that this important and long-overdue measure can become law. Secondly, I appreciate the courtesy and the care with which he has received representations from many organisations that are interested in this matter, not least the Gun Control Network, in which, as he knows, I have a tangential interest. He will also know what a great pleasure it is for me to be able to give wholehearted support to an important Home Office Bill, although he will appreciate that that cannot go on very much longer.

Mr. Clarke: I very much appreciate my hon. and learned Friend's support. The phrase "tangential support" could take me into other entertaining language, but I will not go further down that path.

Dr. Nick Palmer (Broxtowe) (Lab): As my right hon. Friend knows, I very much welcome the direction of the Bill, and I have previously introduced a private Member's Bill on airguns. On the specific issue of replica weapons, there is a slight difference of emphasis between clauses 30 and 31. Clause 30 stresses the need to avoid replicas that can be confused with genuine weapons, whereas clause 31 considers the possibility of allowing such replicas in circumstances that the Home Secretary may specify. He mentions an exemption for airsoft as one possibility. May I suggest that, when a specific club seeks such an exemption, it would be possible to allow some kind of registration procedure, so that people can prove that they are members of a re-enactment society, club or whatever, as a condition for owning such weapons?

Mr. Clarke: My hon. Friend is quite right to say that that is the kind of way to deal with the matter. As I said earlier, when there is a genuine interest—I have more understanding of the interest of the re-enactment societies than that of some other bodies—we should simply look at a regime that will work. My hon. Friend's proposal might well be right, but I do not want to allow a situation in which any such activities can somehow be used as a diversionary path to try to avoid the legislation, which is why I am being cautious in my response.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I appreciate the worries of colleagues who are concerned about societies involved in games and re-enactments, but the majority of so-called Yardie shootings in inner London have long been perpetrated by people using reactivated imitation weapons. I have long argued in the House for a ban on imitation weapons. In the context of falling crime, gun crime has cast a peculiar shadow over communities such as Hackney, Harlesden and other parts of the inner city, so I would like to join those who have welcomed the Bill and especially its clear action on imitations.

Mr. Clarke: I appreciate my hon. Friend's support and pay tribute to the work that she has done. I remember from when I lived in Hackney the work that she did in her constituency to try to deal with such serious issues, some of which involved a gun shop.

Mr. Denham: My right hon. Friend has produced a clear definition of an imitation firearm. However, I am worried about firearms that are not clear imitations, yet could be taken to be firearms in bad light or during the practical operational work of the police. Is my right hon. Friend happy that he might be introducing a distinction into law meaning that a police officer who fired a shot in such circumstances at someone carrying a toy or wooden weapon could be judged by the courts to have acted badly because the weapon was not a real imitation firearm? He needs to think about the possible knock-on consequences of the definition that he is bringing into law.

Mr. Clarke: I accept what my right hon. Friend says, but this is a difficult area of definition. One of the arguments put forward for a long time against going down precisely the path in the Bill has been that the definitions are so difficult that we should not do so. After careful consideration, I have reached the view with my colleagues that despite the difficulty that he fairly identifies, the ill that we are trying to deal with—the abuse of replica guns and the danger that they can cause—means that we must legislate in such a way. I am willing to look carefully at specific points, whether that is in Committee or through other representations, but I am not prepared to accept that we should not legislate to deal with replica and imitation firearms simply because there is a difficulty with definitions. I do not deny that there is a problem, but we should not allow that to stop us from legislating.

Nia Griffith (Llanelli) (Lab): Will the Home Secretary tell us what measures will be put in place to prevent the sale of replica guns and plastic ammunition from catalogues sent out by companies based both here and abroad?

Mr. Clarke: We are still carefully examining that point and the related matter of sales on the internet. The delegation mentioned by my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) showed me shocking examples of what can be purchased on the internet, so we are still actively considering how to deal with that specific concern.

Steve McCabe (Birmingham, Hall Green) (Lab): I join other hon. Members in applauding the Home Secretary for taking action on imitation weapons. I note that the Home Office consultation paper on the matter ruled out the possibility of taking such action, so I welcome the change of heart. However, the same consultation paper referred to concerns about internet

[Steve McCabe]

sales and implied that action would be taken. I urge my right hon. Friend to go one step further, otherwise, the measures on imitation weapons will have virtually no effect because people will buy them off the net and bypass conventional sales.

Mr. Clarke: I am grateful for my hon. Friend's comments and pay tribute to his work on this subject. However, I do not accept the phrase "virtually no effect". Even if nothing is done on internet sales, the measures that we propose will have a substantial effect. I accept the thrust of his remarks, though, and we need to look carefully at how we can regulate sales and carry the policy through. As I said, we are doing just that.

Lynne Featherstone: What work has been done on how the number of people carrying guns will drop with the increased sentence of just six months? Why six months? What will that do exactly?

Mr. Clarke: People who carry a gun can be given up to 12 months. There is a lot of speculation about what difference the sentence will make and how it will operate. We will keep the situation under review, but the measures will make a significant difference.

Mr. Christopher Fraser (South-West Norfolk) (Con): If someone uses a gun or firearm legitimately for their recreation and they need a replacement part, such as a barrel or ammunition, how do they overcome the accusation that they are manufacturing a replica?

Mr. Clarke: By pointing to the truth of it. If someone legally holds a firearm in a licensed way and if he has participated in the process that is being developed, he will be able to establish that that new part is needed. Again, if there is an ambiguity, it is reasonable to discuss in Committee how we can eliminate it. I shall be flexible and consider particular proposals.

The fourth element on weapons is the sale of knives. Comprehensive legislation is in place to deal with knives and other offensive weapons, but public concern remains, so we intend to raise the age limit of who can be sold a knife from 16 to 18 to limit the distribution of knives among young people. It is already an offence to carry a knife or offensive weapon in a public place without good reason or lawful authority, with the exception of a folding pocket knife with a blade of less than 3 in, and we have taken other steps to ban the manufacture, sale and importation of certain knives. However, the additional measures will further tighten controls and send the message that we will not tolerate the carrying of knives and other weapons in our streets.

The fifth and final measure on weapons is the introduction of a power to enable head teachers to search without consent any pupil they suspect of carrying a knife or other offensive weapon. My right hon. Friend the Secretary of State for Education and Skills supports me in that, and although it is the case that there are not many knives in schools, tremendous tragedies have arisen when knives have been in schools, and we want to strengthen the arm of the head teacher to deal with that.

There are a number of additional miscellaneous powers. In summary, they are an amendment to the football banning order provisions, a new forfeiture clause in relation to the trafficking of people, an amendment of section 82 of the Sexual Offences Act 2003, and a measure to strengthen our ability to tackle mobile phone theft.

The measures set out in the Bill will go a significant distance to changing the culture of violent crime and, therefore, to reducing violent crime. I commend it to the House.

5.28 pm

David Davis (Haltemprice and Howden) (Con): The Home Secretary offers the House yet another crime Bill. Violent crime is a massive problem, but this is a relatively minor and unambitious attempt to deal with it. It is the 11th anniversary later this week of the Prime Minister uttering the immortal words:

"Being tough on crime and tough on the causes of crime is not an empty slogan."

How hollow those words must seem to the millions of people who have suffered violent crime and who, unlike the Prime Minister, live with the consequences of his broken promises.

We all remember the examples of the Prime Minister's grandiose promises, such as marching yobs to cash points. What happened to that brilliant piece of inspiration? It never happened. Setting up night courts, where victims are apparently too drunk to be dealt with, has also been abandoned. Then, there was a promise to halve street crime in just five months. If only. Do the Prime Minister and the Home Secretary think that the British people do not remember those promises?

Since the Labour Government took office, violent crime has risen sharply. Britain now suffers more than 1 million violent crimes each year. Offences of violence against the person have increased by 90 per cent. and robberies by 50 per cent.—

Mr. Charles Clarke: If he were fortunate enough to become Home Secretary, would the right hon. Gentleman wind up the British crime survey or start accepting its conclusions that violent crime has decreased by 26 per cent. since 1997?

David Davis: The answer is neither. I would extend the British crime survey to take on board all the things it now misses, such as murder, sex crimes, crimes against under-16s and crimes against retail and other commercial premises. If the Home Secretary made the British crime survey work, we would pay attention to it. Some parts of it are useful, but the right hon. Gentleman should use statistics a little more as useful data, and rather less as excuses, if he will forgive me for saying so.

As I was saying, offences of violence against the person have increased by 90 per cent. on recorded crime and robberies by 50 per cent. on recorded crime. That is what the police are told about, that is what they can do something about, and that is what we should pay attention to. When the Leader of the Opposition was Home Secretary, gun crime fell; since then, under the Labour Government, it has doubled. In addition, the use of cocaine has trebled and persistent youth offending has increased, as has the number of sex crimes.

Just as serious is the fact that, at the same time, detection rates have been falling. Despite all the targets and all the talk of improving police efficiency, there are 900,000 more unsolved crimes each year than there were in 1998.

Stephen Hesford (Wirral, West) (Lab): Will the right hon. Gentleman seek to divide the House on the Bill tonight?

David Davis: I will not give the hon. Gentleman advance whipping advice. He should talk to his own Whips Office if he wants the night off. However, I shall explain what our stance on the Bill will be, both today and in Committee.

In the past everyone assumed that violent offences were a priority for the police and very high clear-up rates gave grounds for thinking so. Under the Conservative Government, almost 80 per cent. of crimes of violence against the person were solved. Now, that figure has fallen to only 50 per cent. What kind of deterrent is that to criminals? What sort of protection does it afford the public? What sort of reassurance does it give the victims of crime? It is nothing short of a scandal and, although the Bill contains some worthwhile proposals, it will not resolve that problem.

We consider some of the measures the Home Secretary proposes useful. They might help the courts or assist the police and we want to do both. We shall not oppose for the sake of opposition: we shall consider what is on offer and try to improve it. Judging by the Home Secretary's remarks, there is scope for discussion and improvement. However, taken as a whole, we consider the Bill to be a woefully inadequate response to the crisis of violence and disorder that the public now face. Seen in the wider context of the Government's measures, the Bill is a qualified admission of defeat. So far, the Government have introduced more than 40 Bills, 200 Home Office initiatives and 350 new regulations, all aimed at quelling the tide of crime. But that tide has kept coming, and Ministers are now scrambling for the lifeboats.

Crime statistics have sometimes—today not least—been prayed in aid of the Government's case that they are tackling crime effectively, but although the statistics are in some respects ambiguous, they offer no way out. In international terms, the picture is dire. According to the international crime victimisation survey, Britain has the second-highest levels of criminality in the industrialised world. Moreover, despite frequent—and convenient—changes to the way in which the figures are collected and counted, the picture of violent crime in this country is not ambiguous at all. It is bad, it is worse than it was, and it is getting worse still.

Recorded violent crime has in fact risen in four of the last five quarters. The Government's first response in such situations is always to deny the facts. Last December, the Prime Minister admitted in one of his disarming bursts of temporary frankness that violent crime has been rising. A few months later, he was keen to point out that, according to the British crime survey, violent crime had not gone up but down. He omitted to mention, however, that the BCS figures are systemically flawed. They are not comprehensive, and they omit murder, sexual offences and crimes against people under 16 altogether. In the case of violent crime, they are contradicted by the recorded crime figures and by everybody's everyday experience.

The Government's second response, once the first has collapsed, is instinctively to reach for the nearest headline-grabbing initiative, of which there are many in the Bill. Nothing comes more easily to hand than the antisocial behaviour order. Not many people have had kind words to say on Europe today, so to make up for that and to prove my inclusive credentials—*[Interruption.]* Yes, it will cause surprise. I commend to the House the words of Señor Gil-Robles, Commissioner for Human Rights at the Council of Europe. He observed of antisocial behaviour orders:

> "One cannot but wonder, indeed, whether their purpose is not more to reassure the public that something is being done . . . than the actual prevention of anti-social behaviour itself."

I could not have put it better myself.

There are, however, some parts of the Bill that we can support. Subject to the important caveat of making sure that they are both fair and effective, we welcome the greater powers to be given to magistrates, as that will allow them to ban individuals from drinking for set periods of time. There is no doubt that local authorities urgently need powers to control local drinking hotspots, and enabling courts to focus on serial drunks who populate such places may be of assistance. It is important to clarify the way in which we enforce such proposals, but we can discuss that in Committee. The proposal is not much, but it is something. We also agree with other proposals. The Bill will create the offence of using an accomplice to conceal weapons, as the Home Secretary mentioned at the end of his speech. There is evidence that a number of cases are not prosecuted successfully for lack of a weapon, so the provision may help to bring such criminals to book.

Finally, we support the extension of the age limit for the purchase of air rifles, which is a sensible tidying-up of existing provisions. I look forward to reviewing the effect of the proposal on airsoft activities in Committee. So far, so modestly good. We also agree with the Government that there is a problem with replica firearms. Some of them can easily be converted into lethal weapons, but they are already illegal. They can be used to terrorise the public, they make life difficult for the police, and they can even lead to tragedy. We remain to be convinced, however, of the need for the measures in the Bill. It is already a criminal offence to carry a replica gun in a public place without a reasonable excuse, and the burden of proof lies with the person who carries the replica. Furthermore, the courts already sentence individuals who rob banks and shops with replica guns as severely as individuals who commit such crimes with real guns. There are no obvious gains to be made from further legislation in that respect. There also remains the age-old problem of definition that plagues measures to ban almost any dual-use object.

Such problems are not necessarily prohibitive, but they should give legislators pause for thought. The right hon. Member for Southampton, Itchen (Mr. Denham), who chairs the Home Affairs Committee, made a good point about such problems, and said that replicas could be viewed in two ways if they provoke a police response. The Bill offers a complex definition of replicas that can also be toys. It will certainly be good for barristers but, equally, I am not at all sure that it will be bad for

[David Davis]

criminals. The most important requirement, however, is action to prevent the import and sale of replicas that can be converted into guns that fire—the so-called Brococks. More effective controls need to be exercised by police and customs at our borders, particularly on internet sales—a matter on which we have called for action several times in the past 18 months and which was raised by at least two Labour Members.

The Bill also deals with weapons of a different sort—knives. There has been a sharp increase in knife killing since 1998, and the number of offences has gone up by 17 per cent. That clearly has to be tackled, but how? There is a basic point to be made here. One does not prevent crime by banning the weapons with which it is committed, though one may be able to limit the incidence and its effects. Rather, one prevents crime by detecting, punishing and, in the case of violent crime, incarcerating those responsible. On none of these has the Government been at all effective.

There is no reason to believe in the effectiveness of what is now proposed, which is to increase the age at which knives can legally be bought. There is no shortage of knives in circulation, and with or without the Bill, there is unlikely to be a shortage in the future. A MORI poll carried out last year revealed that a quarter of children aged between 12 and 16 admit to carrying a knife. Almost one in five of them say that they have attacked someone, intending to do injury. Let us hope that that is an exaggeration, but even if the figures are inflated, they still reveal the inadequacy of what is being proposed.

If we want to stop knife crime, we must focus on those who use the knives, not necessarily on those who originally buy them. To that extent, I agree with the Prime Minister, who in his former capacity as shadow Home Secretary—I quoted him—argued for toughness on the causes of crime. First, we must know what we mean if we seriously mean what we say on the subject. No one is condemned by their genes, background or social class to a lifetime of crime. Plenty of people come from disadvantaged backgrounds and overcome those disadvantages, often heroically so. It is patronising and flatly wrong to suggest the opposite.

We can and should isolate two sets of causes of crime, upon which the Government exert an influence. The first relates to the kind of behaviour that leads to criminality. At the very top of the list is the abuse of alcohol and drugs. Half of violent crime is known to be drink-related, and there has been a 10 per cent. increase in the number of people who think that drunken and rowdy behaviour is a problem in their neighbourhood. That is a disturbing trend. Some limited action through the so-called alcohol disorder zones is proposed, but if it is effective at all, its effects will be limited and slow in coming. Meanwhile, the Government's answer is to allow more drinking in more places more of the time. That is no answer. It is the reverse of a solution. More drink will mean more violent crime.

As for drugs, hard drug use is rising sharply. The number of people frequently using class A drugs is up by more than 60 per cent. since 1998. Cocaine use among young people has doubled. The price of drugs has fallen, so cocaine is cheaper than cappuccino and ecstasy can be bought for less than a pound. That is because, although demand is increasing, the supply is soaring ahead still faster—obviously, one of the lessons of free market economics that the Government have not yet mastered. Drugs are coming through our porous borders because the controls are too weak and because they are undermanned.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is my right hon. Friend aware that a large percentage of drug users picked up the habit while in prison? Does he agree that the Government have done far too little to combat the abuse of drugs in our prisons?

David Davis: My hon. Friend is right. That is one of the reasons—only one of the reasons—why one of our policies is to divert a large number of youngsters who are subject only to drug offences into residential rehabilitation, rather than putting them in prison and creating a life of crime, and to have similar programmes inside prison and continuing after prison, to ensure that people who get into criminality get off that track.

The Government prefer to rely on drug treatment and testing orders, yet more than two thirds of those orders end without being completed in full. The reconviction rate for those failing to complete was over 90 per cent. That is a terrible indictment of the system. Rising drug use is not inevitable. I have seen for myself in the United States how the President's drug strategy is working. It has reduced teenage drug use by 17 per cent. in just three years. That was done by working through schools, by prevention—not just attempted cure—and by giving young people the will and the inner strength to say no when drugs are offered, as they often are. Less drug use will mean less violent crime, and this is a violent crime reduction Bill.

That brings me to the second way in which a Government can tackle the causes of crime. Most young people who slip into criminality and who then stayed mired in it do so because it seemed the easiest option at the time. Of course, they should decide to change, but they do not do so—it is too hard and too much effort. To alter that situation, they must know that the benefits that they expect from offending will be reduced and that the penalties will be magnified by a rigorous criminal justice system.

Such young people also need something else—hope. A Government can generate a culture of hope that truly favours individual and voluntary initiative, that genuinely writes off no one and that determinedly empowers people rather than trapping them at the bottom of the pile. However, they can easily do the opposite of that by creating, allowing or perpetuating a culture of utter and bitter hopelessness, which is the case in too much of Britain today.

British society is blocked: the country is less socially mobile than it was 30 years ago and one third of households now rely on the state for more than half of their income. Living in deprivation is not easy or pleasant, and people get the worst of everything, including crime. The figures confirm that point: if someone is unemployed, they are twice as likely to be a victim of crime; and if someone lives in the most deprived areas, they are three times as likely to be a victim of crime. The figures are even worse for violent crime.

Mr. Kevan Jones: I am very interested in the right hon. Gentleman's speech, which is obviously a leadership bid

to the new, cuddly, friendly Conservative party, and I actually agree with many of his remarks. However, does he agree that former mining villages in my constituency have lost hope because of the previous Conservative Government?

David Davis: That question barely justifies a response, but I shall give it one. The hon. Gentleman's opening remark was thoroughly unworthy, and he went on to mention the problems in mining villages, which nobody doubts. However, nobody doubts that problems also exist in other parts of the country where manufacturing is collapsing—he should visit MG Rover. We stand for a society in which everybody has an opportunity, and I am not just talking about stacking the shelves in Tesco.

The worst thing is when people find that they cannot break out, however hard they try. The Government's social policies have deprived poorer people of the two things that they need most in the world—personal dignity and the hope of improvement. Their criminal justice policies have left the most vulnerable in our society exposed to the rule of the thug and the bully. And their planning and housing policies are repeating the failures that condemned an earlier generation to growing up in crime-stricken communities. Those are the causes of crime.

It is plain common sense that where a child grows up is a formative influence on how he or she comes to see the world. If people live in an environment strewn with burnt-out cars or on an estate with broken and boarded-up windows, or if people walk through stair wells littered with syringes and filth, they start out with a jaundiced view of life. The peer pressures are enormous, particularly for children from broken homes, and those pressures are nearly always bad in such conditions. In one sense, one can never remove the causes of crime, because those causes are locked into the deepest recesses of human nature, but one can let in the light, give people a chance and offer opportunity.

I agree with the Prime Minister's aspiration, but I deplore his lack of achievement. This Bill is a minor response to a massive problem. It is called the Violent Crime Reduction Bill, but in truth it will not reduce violent crime, although it may limit its increase in some cases. The Government's criminal justice strategy, of which the Bill is a modest and undistinguished part, fails to engage with the roots of the problem. The Bill fails to attack the causes of crime, while again pursuing a plethora of headline-grabbing initiatives that attack the symptoms of crime. It is time to prevent drunk and disorderly behaviour, not merely to manage it; it is time to stop the plague of drugs that afflicts our youngsters, not merely to cope with the consequences; and it is time, at last, to be tough on the causes of crime, rather than, as in this Bill, merely treating the symptoms.

5.49 pm

Mr. John Denham (Southampton, Itchen) (Lab): Over the past few years, the Government have achieved significant success in reducing crime overall, but there is no doubt that the perception that violent crime has risen, or is rising, mars their overall achievement and has an impact on their confidence. It is therefore not surprising, but welcome, that they have introduced the Bill.

I use the word "perception" in relation to violent crime because it is often difficult to get a grip on exactly what is happening. When one considers, for example, that well over half of all recorded violent crime did not involve any injury to the victim, one can see that the statistics are hard to understand. That happens to be the case, although it is not quite as daft as it sounds. There has certainly been an increase in the recording of non-injury crimes that would never have been recorded by the police 10 years ago; that is why the recording system has been changed. The statistics also tell us that there has been an increase in certain types of crime that are at the more violent end of the spectrum—gun crime or knife crime—or are in more public places and involve a greater risk of crime from strangers or acquaintances.

The sense that the number of such crimes is rising generates the current public concern. Some of us are not necessarily happy with that. Those of us who worked for years on domestic violence have never entirely bought the idea that violence from someone one knows is in some way better or more acceptable than from someone one does not know. Nevertheless, there is no doubt that the fear of violence in public places from strangers has a greater resonance with the public and makes a greater contribution to public concern.

The Bill has some potentially useful measures, but they will be so only if they are put into practice alongside many others. It has measures that essentially close loopholes, cover gaps or nuance existing policies—for example, the difference between a banning order and an antisocial behaviour order—and measures in areas where the pressure to be seen to act has become overwhelming. I am not yet convinced that the measures on imitation firearms will reduce the number of victims of firearm crime, but I understand why my right hon. Friend the Home Secretary believes that it is necessary none the less to be seen to act against what the public generally regard as a scandal—the widespread marketing of such weapons.

Let me deal with a couple of issues that should have been acted on previously. The measures on alcohol disorder zones are overdue. I wish that it had been possible to incorporate that approach in the Licensing Act 2003. The current proposals reflect the debate that raged within Government at that time between the argument that the whole industry, responsible or not, is plying people with alcohol in town and city centres and needs to pick up the cost, and the argument that we have to deal with badly run premises. It is welcome that my right hon. Friend has moved towards saying that the industry as a whole, not the relatively small number of badly run premises, has to pick up the costs of policing, late night transport, street cleaning and so on. The Bill potentially takes us a long way in the direction of ensuring that the costs lie where they properly should. However, I have a couple of caveats about that; it will be important to scrutinise the Bill carefully as it goes through Committee.

I take my right hon. Friend's answer to my earlier question straightforwardly. He clearly wishes that the statutory scheme of an alcohol disorder zone, with fees set in Whitehall, should be applied locally in as few places as possible, and hopes that the threat of an action plan or the putting in place of an action plan will lead to better, locally tailored schemes that suit the needs of each area. I share that view. I have no desire to see a

[Mr. John Denham]

national scheme imposed willy-nilly on every single town and city centre. Equally, let us be blunt about this, if the Bill does not result in a much more substantial contribution from the drinks industry to the costs of policing and maintaining our town and city centres, it will fall short of what is needed. At the moment, the costs of policing those town and city centres is borne by council tax payers who by and large do not live in them—they pay their bills but do not see a police officer on a Friday or Saturday night because they are all down at the town centre policing the binge drinking. We must ensure that relatively low-scale voluntary schemes are not put in place as an alternative to a proper charging regime. Although I commend, and have seen, many of the voluntary schemes that have been mentioned today, most of them fall well short of the level of contribution that is required towards the costs of policing our town and city centres.

I hope that we will be able to see the guidance that comes from the Home Office before the Bill completes its passage in this House, because that will be crucial in determining the threshold of the problem that one must have before one can initiate an action plan or have an alcohol disorder zone. If that threshold is set too high, the measures in the Bill will apply in too limited a number of circumstances.

I want to turn briefly to the measures on knife crime.

Mr Marshall-Andrews: Before my right hon. Friend moves on to knives, I should like to bring him back to his observations on imitation guns. Does not he accept that one of the principal causes of crime is a culture of crime, which may of course come from deprivation but may also come from many other sources—the media and the like? One of the essential cultures of gun crime is the existence of freely available replica weapons which are identical to lethal firearms and which are available in newsagents and shops that are close to schools for virtually nothing. Is not the creation of that culture something that we in the House should take seriously and outlaw?

Mr. Denham: That may be true, though I have yet to see the evidence that makes it believable. It is certainly an argument in favour of my right hon. Friend's proposals.

I want to address another issue of crime and culture in relation to knife crime. We know that the way to deal with many kinds of crime is to get to the root causes of the problem, to identify the perpetrators or gangs of perpetrators, to target them, to deal with them effectively and to have a multi-agency approach to tackling the problems. However, we have not yet applied that approach to the problem of knife crime. The Bill addresses the particular issue of taking knives into schools, yet, as we all know, the reality is that schools and local education authorities are often not engaged in wider crime reduction activities or wider measures against antisocial behaviour. The measures that schools take internally to deal with gangs and bullying often do not link up with those being taken in the wider community to deal with the same young people who are causing a problem—the same bullying, the same violence and the same gangs.

Unless we can introduce into the area of knife carrying and knife use the targeted approach that we have used in relation to antisocial behaviour and are using in gun crime, we will not be effective in dealing with knife crime. I do not yet see an approach to dealing with the carrying of knives by young people that begins to be as coherent as our approach is becoming towards, at one end of the scale, antisocial behaviour, and, at the other end, guns. I can see little evidence that the Government's idea that we should consult and discuss with young people before we introduce policies that affect them has been brought into play in developing effective strategies for dealing with the carrying of knives by young people. Ironically, the Government have accepted for some time that we will not deal with gun crime unless we engage with young people in these communities, not only on guns but on a whole range of wider issues. The same needs to be true in relation to young people carrying knives. I fear that the measures in the Bill will be a little limited unless we take a broader approach.

Mr. Flello: Does my right hon. Friend accept that there is a culture whereby young people start to carry knives because they are concerned that other young people are carrying knives and that that perpetuates the problem? For example, one group of people is believed to carry knives. Consequently, a second group begins to carry them and then a third group starts carrying knives. As a result, the first group, whose members were perhaps not carrying them, also begins to do so. The culture is a self-sustaining spiral into despair.

Mr. Denham: My hon. Friend makes an important point. There is little published evidence to tell us why knife carrying and knife use has grown.

My right hon. Friend the Secretary of State will be familiar with the Home Office report that was published in January. It made several important points about knife carrying and knife use. It said that the group most likely to carry knives comprised those young people who have been excluded from schools. Those, including the right hon. Member for Haltemprice and Howden (David Davis), who belong to a party that calls for children to be excluded from schools at every opportunity, need to recognise, if they wish to tackle the causes of crime, the links between excluded young people and knife carrying. We must deal with that.

Fear and peer group influence are reasons that young people give for carrying knives. However, I want to stress one of the points in the conclusions of the Home Office research, which states:

> "Although the problem of young people carrying knives and other weapons appears, by common consent, to be growing, few dedicated public awareness or educational programmes have been developed or delivered. Similarly few dedicated programmes working with young people at risk of carrying and using knives have been developed. As a consequence, there are relatively few examples of good practice. Those that there are have not been widely disseminated or shared."

I stress to my right hon. Friend the Minister that the challenge for the Government is not to change the Bill—I do not believe that the measure should contain a different bit of law—but to develop a strategy for tackling the causes of knife crime and ensuring that schools link with outside agencies to identify the gangs

where it predominates. If we are to be effective, the Government should also ensure that there are proper strategies and punitive measures for dealing with the ring leaders and that proper educational approaches exist for tackling young people who carry knives. The Government are trying to do that with gun crime at one end of the spectrum and antisocial behaviour at the other. A systematic, root-and-branch approach to young people and knife carrying needs to be developed.

I met a group of students from my constituency this afternoon who happened to be in Westminster on an educational programme. I—and, I suspect, their teachers—was surprised not by their saying that there was not a problem in their school but by the fact that they regarded carrying knives as a significant issue for young people in our society. We need to build an awful lot around the Bill if we are to change a serious and developing culture in our country.

6.2 pm

Mr. Mark Oaten (Winchester) (LD): I welcome many of the Bill's provisions. There is no doubt that violent crime is a serious problem in this country and it is not helpful to get into a statistical debate about whether it is marginally up or down. There is a responsibility on all hon. Members to ascertain whether we can do more to reduce the incidence of violent crime.

Violent crime has many causes and the Bill tackles two of the key pillars behind the causes of violent crime: alcohol and access to weapons. Drugs are clearly another factor. However, the combination of access to weapons and alcohol is a main reason for the increase in violent crime. We shall decide whether to support the Bill—we are minded to support it—by the following yardsticks: whether it grossly infringes civil liberties, whether it creates too many offences and whether the provisions will be effective. We have concerns, which we shall raise in Committee, but our judgment on those three key tests is that the measure contains provisions that constitute a step in the right direction and deserve our support.

I want to comment on the important matter of tackling the causes of crime. As the former Chairman of the Select Committee on Home Affairs, the right hon. Member for Southampton, Itchen (Mr. Denham) said, the Bill tries to deal with some of our current problems and we need to do more to tackle the causes. Frankly, I am not prepared to take a lecture on that from the shadow Home Secretary, who has now left his place. Over the years, he has criticised my party when we have presented such arguments and been more than happy to portray us as soft on crime when we have argued for more creative solutions to try to tackle the causes of crime. I understand the need for the Conservative party to reinvent itself, but Conservative Members could at least acknowledge that some parties have argued strongly for such provisions for many years and been strongly criticised for doing that.

Alcohol is an important factor. I am critical of the Government because they—and probably all political parties—have been chasing the problem, which has run ahead of us. I met members of a residents association in Winchester in my constituency this morning. They raised anxieties that will be familiar to all Members of Parliament. Those concerns apply not only to inner-city areas but to market towns in rural areas. We know the statistics: 25,000 admissions a year to accident and emergency departments and 50,000 violent offences are the result of people drinking too much, let alone—we have not discussed it in a Home Office debate—the implications for the health of our nation.

It took a long time for the Government to respond. We had to wait many years for an alcohol strategy, which is regrettable because joining health and the consequences of crime in a fully thought-out strategy should have been done many years ago. Powers are in place but some have been difficult to enforce. We heard earlier that only 11 landlords a year have been prosecuted for allowing drunken or riotous behaviour on their premises. That raises two questions. First, is it simply a matter of ineffective policing? Secondly, and more worryingly given the Government's intentions in the Bill, are the prosecutions hard to achieve and is it hard for the police to identify the publican or premises responsible for allowing the serving of alcohol that led to such behaviour? If that is the case, it raises serious questions about the Government's proposals.

We have long argued for the imposition of some sort of levy. We believe that it is wrong that many communities, especially in rural areas, experience the removal of police, so that, on Friday and Saturday nights, they are tied up in city centres. Local taxpayers ask why they should fund clearing up the mess for an industry that makes a great deal of money from alcohol. We therefore support the concept of imposing some levy or charge.

We also want to support voluntary action by the industry, which is a sensible way forward. A couple of weeks ago, the industry made positive announcements, such as a willingness to end the practice of happy hours. However, that brings consequences. If part of the industry behaves well, wants to be responsible, signs up to join an association and is prepared to act by reducing happy hours, other parts of the industry that do not belong to the association will simply fill the void. Indeed, they could benefit financially because part of the sector was not holding happy hours. We cannot simply rely on the industry, because there will always be those who do not join industry forums and try to make a profit out of any action.

In Committee, we need to establish clarity about who will be affected by the alcohol disorder zones and the related provisions. I take the Home Secretary's point about not believing what it is written in the *Daily Express* and other newspapers. However, if nightclubs can avoid the provisions by arguing that entertainment and dancing, not selling alcohol, are their main focus, it would cause disquiet because late-night entertainment in our city centres is often concentrated in them. We therefore need to be clear about who will be affected.

I should also like more clarity about what the levy will be spent on. Simply giving it to the police might prove effective in reducing the cost to taxpayers of police on Friday and Saturday nights. However, let us also consider other forms of support for our night-time economy. Could we invest the levy in more CCTV? Could we consider having better trained doorkeepers for pubs and nightclubs? Could we use the money to contribute towards ensuring better late-night transport so that the problem of the cab queue outside the kebab shop where everybody waits can be resolved through creative schemes, such as that which operates near me in

[Mr. Mark Oaten]

Salisbury, and provides publicly funded ways in which to get people back out of the city centre to their homes? We should consider using the levy not only for policing but for a wider range of matters so that we can help the night-time economy.

What will happen if one lives in an alcohol disorder zone? What will be the impact on the price of people's property? What will be the impact on someone trying to sell their house when everyone in the community is saying, "Hang on a minute. No. 14 Burble walk is in an alcohol disorder zone"? The measures could have a considerable impact on people living in the zones. They might welcome attempts to clear up the problems there, but we must also understand the implications for property prices.

Steve McCabe: What does the hon. Gentleman think is more important: speculating about a possible impact on property prices because a problem is being dealt with or leaving the poor individual to deal with the problems that they experience every night of the week? Surely he cannot argue that property prices should take priority over tackling those problems.

Mr. Oaten: I am not arguing that at all. It is the job of the Opposition to ask such questions in Committee and to ensure that we understand what the consequences of the Bill will be. If these zones are set up, a string of people will come into our surgeries saying, "We are in a zone and are now blighted." We need to think the consequences through. My priority is to ensure that we solve this problem and turn those areas into pleasant places for people to live and enjoy their lives in. Let us recognise that, by putting these zones in place, rather than creating zones in which the public believe we are tackling a problem, we could by default create zones that the public think are unsafe to visit at night or to live in. They could become no-go zones because they had had that label put on them, and I do not want that to happen. The measure could represent a sensible way forward, but let us be sensible about recognising the possible consequences of creating such zones, which I assume will be very publicly identified.

Mr. Flello: Surely the hon. Gentleman is missing the point. Do not people who live in such areas already have the problem of depressed house prices precisely because of all the trouble that is going on? The whole point of putting an alcohol disorder zone in place is to address the problem, rather than to create one. The whole community would already know that it was a problem area, and these measures are about tackling that problem.

Mr. Oaten: I do not think that we are disagreeing on this issue. I am simply trying to think through the consequences of creating the zones. It is in all our interests to ensure that people regard them as a way forward, so let us make sure that we get the legislation right and that we do it properly. If we get this wrong, the zones will be regarded by the community as areas that have been written off, and we do not want that to happen. There is also the issue of how people can appeal the question of whether they should be in the zone. In Committee, we need to ensure that proper measures are in place to enable people to argue whether they should be in a designated zone.

A more fundamental question relates to how the so-called voluntary period will operate. If it is the intention to create a system in which the local authority and the police can come together and produce a local community plan—which, if put in place and operated fully, would mean that an alcohol disorder zone did not have to be created and that the financial levy would not have to be put in place—I am not clear where the incentive would be for people to go along with such a voluntary scheme. Some organisations would probably prefer to operate under a compulsory scheme, because other organisations would have to contribute through the levy. Will the Minister help us, either today or in Committee, to understand how the funding will operate under the voluntary scheme? Who will fund a voluntary plan? Or would we get action only if we moved to a full scheme after a voluntary one had failed, because that is when the money would come through?

The answer might be hidden in the regulatory impact assessment, which we received quite late. It states that the consequences of the alcohol disorder zones to business would be a £6.2 million voluntary cost, and a £2.4 million compulsory cost. It is not clear whether that means that the Government envisage most of the costs being paid by businesses under the voluntary scheme and the £2.4 million compulsory cost being triggered only if the voluntary scheme failed and the area became a designated zone. We seem to be in danger of creating a system in which there is no real incentive to improve. A business creating problems in an area would know that it might as well pay its levy because the gains that would result from people coming into the area would be great. It would also know that another 10 premises in the area were going to contribute towards clearing up its problems. We need to tackle this issue.

Mr. Denham: Has the hon. Gentleman considered the fact that at least one midlands police force has estimated that the excess cost of policing one city centre for a year would be £1 million? Is he suggesting that the amount that the Government are planning to raise through this scheme would represent only a tiny proportion of the policing costs that currently apply in our major towns and cities?

Mr. Oaten: Absolutely. The cost of dealing with the problems caused by this kind of behaviour is enormous. The Government rightly point out in their regulatory impact assessment that, by making this investment, we could help to reduce those costs by creating a better night-time economy, but this is not a clear-cut issue. I have seen examples of city centres with problems, where businesses could benefit in the long term by making a small contribution because more customers would come in if the problems were dealt with.

The provision to introduce drinking banning orders will create a new form of civil order and I am worried about whether it is appropriate to create yet more offences. I asked the Home Secretary earlier what the difference would be between these banning orders and the provisions that deal with drunk and disorderly behaviour, and I was not convinced by his argument. He seemed to suggest that the new orders were designed to deal with problems of disorder created by drink. I thought that that was drunk and disorderly behaviour. I am nervous about creating many new offences.

I am also concerned that the Bill would remove the reporting restrictions on cases in which an individual was served with a drinking banning order. In cases involving 16 and 17-year-olds, that would mean that their cases would automatically be reported. I am not necessarily against the reporting of cases in which it is appropriate for the public to know about the individual concerned, but surely the presumption should be that it would not be appropriate. Otherwise, we might create a situation in which a person is automatically named and shamed, although that might not be the most appropriate thing to do, particularly if they were only 16.

Mr. Clappison: This point might need further exploration in Committee, but does the hon. Gentleman at least recognise the value of the distinction between an order that restrains someone from doing something that might become an offence, and their actually committing an offence, which would go on to their criminal record?

Mr. Oaten: I am grateful to the hon. Gentleman for his intervention, because that issue will certainly have to be considered in Committee, but I am concerned here about the presumption that everyone should be named and shamed. Rather than make that assumption, it would be better to judge in each case whether it would be more effective to name and shame someone.

We support many of the measures in the Bill and would like to see them work, but would it not be sensible to pause in regard to the other changes in the licensing regime? Many of these measures will not be in place when the new 24-hour licensing regime is implemented. At the very least, the Government should delay that implementation until these measures are in force, because the two sets of provisions should work together. We seem to be running ahead with one before the relevant control mechanisms are in place.

On gun crime, various points have been made about the offences outlined in the Bill. The number of offences relating to possessing a firearm has been reduced, which suggests that some progress has been made in tackling offences relating to how and when a person carries a firearm. However, there has also been a big increase—from 13,000 to 24,000—over the past few years in crimes involving guns. Many of the Government's proposals on airguns have our support. We have heard about the awful cases in Scotland and Darlington in which youngsters sadly lost their lives in incidents involving airguns and we support what the Government are trying to achieve, particularly in relation to the measures on shooting over a boundary.

There is a muddle over raising the age at which a person can buy an airgun from 17 to 18 and over all the various ages involved in such regulations. I am not convinced by the evidence that changing the age from 17 to 18 will make an enormous difference. At the moment, we have a minimum age of 15 for shotguns, 17 for rifles and now 18 for airguns. That is three different ages for three different kinds of weapon. I hope that the Government will use this Bill as an opportunity to clarify these provisions, because they must be a nightmare to enforce. The fact that someone can purchase a shotgun, but not an airgun, at 15 suggests that we need to examine the age limits.

There has been a large increase in cases involving replica guns, which cause enormous difficulties for the police. In some areas, the police estimate that half their armed police call-outs are a result of the sighting of an imitation firearm. That is a waste of police time, but, sadly, it is often the cause of a tragedy as well. The Government are right to want to deal with that and we support their wish to tackle two problems with replica guns: they are used because they look like real guns and they can be converted to carry live ammunition. The Home Office and the Home Secretary have said that it will be difficult, and it will, but we will help the Government over the definition in Committee. I thought that the Home Secretary made a good first attempt, but we need to test and probe the definition. We shall also need to take account of the point made by the last Home Affairs Committee. What should be done if someone in a dark alley has a wooden table leg hidden under a blanket? What should be done in similar instances? I believe that the police shot someone because he had what they thought was a gun, but was in fact a cigarette lighter. I am sure that such cases are not the majority, but they will need to be considered in Committee.

I hope that the Government will deal with representations from the sport industry. Of course, the priority must be making our country safer, but we must listen to what that industry says. It is estimated that 4 million people use air weapons. Target shooting is an Olympic sport. Sensible discussions are needed and it is encouraging that the Home Secretary is engaging in some. I have spoken to representatives of the industry and they support much of the Bill, but they take issue with technical points involving the making of ammunition and the link with primers. Simple adjustments could be made that would probably allow them to go on making ammunition at home while meeting the Home Secretary's requirements. I hope that we can discuss such issues positively, along with airsoft weapons and re-enactment societies.

We support what the Government are trying to do about knives. They are certainly a problem in London. Apparently 361 incidents involving knives are recorded each week and, in January alone, there were 15 murders that have been attributed to stabbing. The importance of the issue should not be underestimated. The problem of children carrying knives was mentioned earlier. A quarter of the boys who were asked about it admitted having carried a weapon and nearly all of them specified a knife. Although some may have been young lads boasting, it is a frightening statistic.

The Government have suggested solutions, but I am not convinced about all of them. I am particularly worried about the proposal to raise the age at which a knife can be legally purchased from 16 to 18. It will be hard to enforce. Already, half the shops break the law by selling knives to under-16s, according to spot checks carried out by the Trading Standards Institute. If that is happening now, how will it be possible to enforce the increase in the legal age? It is ridiculous that a couple can marry at 16 and put a kitchen knife on their wedding list. We must discuss silly situations like that in Committee.

Will the Government also think again about sentences? The maximum sentence for carrying a knife in public is currently only two years, whereas for carrying a gun it is seven years. Both weapons are killers

[Mr. Oaten]

and there is a strong case for enabling judges to impose a similar maximum sentence for knife carrying. When I raised the matter in Home Office questions a couple of weeks ago, the Home Secretary said that he was prepared to think about it. I hope that we can press the Government again in Committee.

I am instinctively uneasy about allowing school heads to carry out checks. I realise that there is a problem over guns and, particularly, knives in schools, and I know that, as the right hon. Member for Southampton, Itchen said, it is a key issue in exclusions. Indeed, 62 per cent. of children are excluded for carrying knives. But do we really want to give teachers and heads that responsibility? How exactly will it work? Which classes will they pick on? Do I feel comfortable about my child being at a school where she is automatically searched to establish whether she has a knife on her? We must ensure that checks are carried out sensitively and establish that teachers consider what they are doing appropriate. Again, the intention is right, but we must not "turn off" the teachers' unions.

Dr. Pugh: Clause 35 states:

"A person who exercises a power under this section may use such force as is reasonable in the circumstances".

It is not clear that that does not mean teachers wrestling with defiant pupils suspected of carrying weapons. Do we not need clear guidelines so that legal and physical dangers can be avoided?

Mr. Oaten: My hon. Friend is right. It will be necessary to tie down the guidelines, to work with teachers' unions and to ensure that there is proper training. It is a sensitive issue and we must tread with caution.

Controlling the way in which guns and knives enter the country has been mentioned. I am worried about the purchase of such products on the internet. I have been able to print out some extraordinary information from the internet that troubles me enormously, involving not just replicas but working guns. I hope that the Home Secretary will speed up his work on that. We are introducing a number of measures, but it would help the Government a great deal if we could prevent ownership of such weapons, especially through the internet.

We will not oppose the Bill. We will try to deal with some of our worries in Committee. We hope that the Bill will make a difference, but none of it will make a difference unless we establish why individuals get drunk and carry knives or guns in the first place. That is a fundamental problem that we must resolve.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I remind Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench speeches.

6.26 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): The hon. Member for Winchester (Mr. Oaten) complained that his party was depicted as being soft on crime. His party voted against the whole of the Anti-social Behaviour Act 2003, and members of his party on Manchester city council opposed it on the grounds that there was already too much antisocial behaviour legislation. The hon. Gentleman was worried about the Bill's effect on civil liberties. We are all champions of civil liberties, but my constituents value one civil liberty in particular: freedom from crime and from antisocial behaviour. If the Liberal Democrats had their way, we would not be dealing with that. My constituents in the Chapman street and Platt lane areas who are victims of antisocial behaviour will not be impressed by that nitpicking approach.

Of course there are huge issues involving crime. As statistics demonstrate, no one could claim that the Government's war against crime is anywhere near wholly successful. The fact is, however, that the introduction of antisocial behaviour legislation—pioneered in Manchester and, indeed, in my constituency—is one of the most important advances in this regard that any Government have achieved. This Bill will deal with the sale of drink to minors, and that could have a huge impact. In Gorton, particularly in the Chapman street area, we have heard repeated complaints about retailers selling drink to minors. The police are acting, and are prosecuting in one case, but the Bill will strengthen the process.

My constituents want to be able to live in peace. They want to be free from antisocial behaviour and from knife and gun crime. The Bill will help in that regard. My right hon. Friend the Foreign Secretary, who pioneered antisocial behaviour legislation, has introduced to the dictionaries a new noun, asbo, and a new verb, to asbo. It is talked about in the streets. When the original legislation was introduced eight years ago, I told him, "The Bill looks good, but only when my constituents tell me that it is working will I be satisfied." My constituents, although they have many misgivings and want much more to be done, say that it is working. That is why they want more to be done. That is why they want action to be taken on houses that are being used illicitly as shabeens and for other purposes.

This legislation can help on that. That is why people are delighted with the drink-banning elements of the Bill. It is not necessarily gangs that are causing the problems; collections of small numbers of young people are doing so. Let me make it clear that the overwhelming majority of young people would never dream of behaving badly, but a small minority can make life hell for ordinary people, who just want to live their lives in peace. This legislation will assist in giving them the increased tranquillity that they have the right to ask for.

When I have constituents who are brave and decent enough to provide information to the police, I want the backing of the law and that is what this legislation increases. I pay tribute to Miss Irene Thorpe, who lives in Gorton and was given the MBE in the birthday honours list. She is a brave woman who has fought crime in the area. People are ready to do that provided they have legislative backing, and the Government will give them that backing.

I pay tribute to the police in our area. Of course, their response is not always what my constituents want, but the police are implementing our legislation, which they welcome. When the police and the public work together—members of the public in Fallowfield, Gorton and elsewhere in my constituency do work together—it increases tranquility, makes life better, and increases

property values, which the Liberal Democrat spokesman was complaining about. Where we have good community development, as we have in the Longsight area of my constituency, property prices are rising. My hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) is right. People know that, if there is a lot of crime in the area, designation of the zone helps to deal with that crime. It does not decrease property values; it increases them.

I therefore say to Ministers that the measures that they have introduced, including this Bill, are making life better. The Liberal Democrat spokesman says that he is worried about naming and shaming people. A young woman in my constituency called Lorraine Ogden had ASBOs imposed on her. She went on offending. She was named on leaflets and indeed in the House. She has now said that her life has improved because she has been given the opportunity to improve her life and become a constructive citizen.

In Gorton, we have had the on the streets project. Young offenders who have who had ASBOs imposed on them are now constructive citizens thanks to the wardens who created that system in their spare time. We want to make sure that innocent people are protected and that young people do not ruin the whole of their lives when they make mistakes. The provisions in the Bill on replica knives and binge drinking will be better for those people, because they will help them to stop behaving in an antisocial way. Heaven knows they will be far better for my constituents, who have had to put up with such behaviour all around them.

Although the Bill deals with city centres, I hope that Ministers will consider extending it to district centres because, in a large city such as Manchester, not only the centre of the city but other parts are oppressed.

The shadow Home Secretary talked about the statistics of crime. Let me give him the latest statistics for Greater Manchester. In the year to March, there were 42,000 fewer offences, an 11.5 per cent. reduction. There were 2,000 fewer violent crimes, and 67,752 offences were brought to justice, an increase of 21.9 per cent. Domestic burglary was down by 10,616 offences, a fall of 28.1 per cent. The number of robberies was down 1,731, an 18.7 per cent. fall. Vehicle crime, which is one of the worst scourges that people have to put up with, fell by 9,280 offences, a reduction of 15.6 per cent. In April, the figures have improved still further.

It is not paradise. Far too many people are still putting up with crime and with antisocial behaviour. The Bill is not a panacea, but heaven knows it will help my good, brave and decent constituents to come forward to fight crime and to ensure that antisocial behaviour, gun crime and knife crime are reduced. That is what my constituents want. That is what they have the right to want. That is what they have the right to work for and to vote for, and that is what Ministers are helping them to do.

6.36 pm

Mr. David Burrowes (Enfield, Southgate) (Con): Thank you, Mr. Deputy Speaker, for allowing me the privilege of making my maiden speech today. I begin by declaring an interest as a solicitor. It is a welcome opportunity to speak in this debate, given that violent crime is of major concern to my constituents.

First, as is customary, I pay tribute to my predecessor, Stephen Twigg. However, I do so less as a matter of custom, and more out of a personal respect for his record of hard work and service to an area we both grew up in and care deeply about. I am sure that his talents will continue to find a prominent place in public life—but with respect, I trust not in Enfield, Southgate.

Before addressing the subject of the debate, I would like to describe the constituency that I now represent as Member of Parliament and the borough that I still represent as a councillor. It is long-established and distinguished, not least by its names. Enfield was literally the end field in the old county of Middlesex. Southgate was the "South gate" to the royal hunting forests.

The words "Enfield, Southgate" are rarely uttered by political pundits without being preceded by the word "leafy". Indeed, the constituency is green, with tree-lined streets, and an abundance of parks and farmland to boot. It is also suburban, in the best sense of the word, straddling the area between London and Hertfordshire. The green belt is the natural check on development and is cherished, particularly by its nearest neighbours in Hadley Wood. It needs, though, to be protected by the vigilant eyes of the active local residents associations and councillors.

The constituency includes Cockfosters, which is where I grew up. Some will know of it simply as being the end of the Piccadilly line, others for its being the subject of adverts for alcohol beverages, and others for more cerebral reasons, since it is the home of Sir John Betjeman and Trent park.

The park has been home to the Sassoon family, prisoners of war and Middlesex university. It is described, rightly, as the jewel in the crown of the constituency. Indeed, Trent park has royal links, being known by locals as the secret childhood playground of Her Majesty the Queen and Princess Margaret. Her Majesty was known to be partial to the chocolate cake cooked by the housekeeper, Mrs. Gubby. Sadly, the recipe has not stood the test of time, but Trent park certainly has. The university is due to submit plans to increase development in the park. I will oppose any plans that inhibit future generations from fully enjoying our wonderful country park.

Another significant part of the constituency is Palmers Green, which is well known not only for being the backdrop to the last Harry Potter film but for Green lanes. The street boasts a diverse collection of shops, small firms, cafés and restaurants and a diverse community. Only this weekend, the active Green Lanes Business Association, championed so admirably by Costas Georgiou, celebrated the vibrancy of the area with a successful shopping festival.

It is now traditional for the newly elected Member for Enfield, Southgate to include in his maiden speech the north circular road, which runs through the constituency. I should choose my words carefully, as I would not want to suggest that this clogged-up artery is the site of any significant movement. It does not so much run though as pass through, and usually its traffic does not even do that. Sir Anthony Berry, in his maiden speech some 40 years ago, and, after him, Michael Portillo, expressed hope that the road would be widened shortly.

[Mr. David Burrowes]

Even now, with the London Mayor's latest and inadequate road plans exhibiting in the constituency, there is an unmet need for a full widening scheme properly to tackle congestion. I sincerely hope that this will be the last maiden speech in which this issue needs to be raised.

The constituency still retains its local heritage as a collection of villages—Southgate Green, Oakwood, Grange Park and Winchmore Hill. During the election campaign, it was clear that constituents felt an increasing sense of powerlessness over what happens in their community. They want their local voice to be louder on issues as varied as the proliferation of mobile phone masts and local policing. I wish to amply the voice of Enfield, Southgate. I believe that my role is not to rely on the powers of the state being used on their behalf, but to return those powers to the people who make the real difference.

A true description of my constituency needs to include mention of some fine people who give the local community its strength. Enfield, Southgate is the proud home of the oldest woman in England, Judy Ingamells, who is 111 years old. One of the highlights of the election campaign was to visit Mrs. Ingamells and experience what she says is the secret of her long life: a good sense of humour. Her motto for life will no doubt meet with approval from Labour Members; "Never look back, always look forward." Was she the originator of that motto? Mrs. Ingamells was born during the Administration of Lord Salisbury, has lived through the Administrations of many other great Prime Ministers and still lives in hope.

Enfield, Southgate has many public servants, none more so than Malcolm Hudson, the head teacher of St. Paul's Church of England school in Winchmore Hill, who is retiring next month after 12 years of excellent leadership, backed up by years of distinguished service to education. I have come to appreciate the ethos of service that is displayed by many local people in education, health, transport and the police. The challenge is to provide the necessary freedom and opportunity for these people to flourish, and to enable local solutions rather than their being smothered by the heavy hand of government.

The heart of the constituency is to be found in its voluntary and local associations. Two in particular come to mind, from whose services, respectively, 1,000 people each week benefit. The first is TAB centre plus, situated in Bowes ward in a pocket of deprivation. The local church, under the compassionate leadership of David James, has reached out to its neighbours and its premises provide the base for countless diverse community activities. The second is the well known Chicken Shed theatre company, which has its home in Southgate and has provided theatrical excellence throughout the last 30 years, working with and being accessible and available to a complete cross-section of young people. Both these organisations shine out as beacons in the local community. Neither benefits significantly from state funds, but their strength is the voluntary commitment of dedicated people.

I am grateful to you, Mr. Deputy Speaker, for allowing me to indulge in a tour of my constituency. Some hon. Members may question how the subject of today's debate could be relevant to leafy Enfield, Southgate. That question was shockingly answered nearly 12 months ago, when a local young man was brutally and senselessly murdered on his way home in Southgate Green. Sadly, this is not an isolated incident. Within a mile there have been other murders, serial rapes, stabbings, shootings, an armed robbery and an abduction.

I believe that we will not significantly reduce violent crime until we have seriously tackled drug abuse. I saw for myself during the campaign how drug dealing was openly taking place on the residential streets of Enfield, Southgate. I have been to our local prison, HMP Pentonville, on many occasions; only, I hasten to add, in my professional capacity as a criminal solicitor. I am told by inmates that the prison is awash with drugs. It is apparently easier to obtain crack cocaine and heroin on the inside of prison than on the outside. This madness has to stop.

Tackling drug abuse requires action on many different levels, and I await with interest the Government's review of cannabis classification and trust that good sense will return. For the last 11 years, most of my clients, sadly, have been drug addicts. I have seen the crucial role that strong families play in rehabilitation. When a drug addict is serious about rehabilitation, we need to be ready with a compassionate response. Effective treatment is required, as is practical support for the family.

Reducing violent crime and making our streets safer is the priority for me as Member of Parliament for Enfield, Southgate. I am committed to work with the council, local people, the police, families and other agencies to combat crime and to turn back the worrying tide of drug abuse which is now lapping at our borders and threatening our children.

6.45 pm

Lynda Waltho (Stourbridge) (Lab): It gives me great pleasure, Mr. Deputy Speaker, to make my maiden speech and to follow the hon. Member for Enfield, Southgate (Mr. Burrowes). I congratulate him on his speech and look forward to further debates with him in this Chamber on this and many other subjects.

I am especially grateful to be given the opportunity to speak on violent crime reduction as there is much to tell and celebrate about the decline in crime in Stourbridge since my party came to power in 1997. I am very proud of the fact that Stourbridge is one of the safest places to live in the west midlands. Together with the local police and council, a large number of partners and agencies are working together to ensure that Stourbridge is a safer place for everyone who visits, lives or works in the constituency.

Over the past seven years, the safe and sound community safety partnership has been successful in reducing crime across the constituency. Indeed, last year's figures show a reduction in robbery of 59 per cent., a fall in vehicle crime of 31 per cent. and a 41 per cent. fall in burglary. Contrary to the claims of the Conservative party, there has been a fall of 8 per cent. in violent crime, which, incidentally, has continued over April and May. In addition, there has been a significant rise in the numbers of people receiving treatment for drug and alcohol misuse and waiting times for this treatment have been reduced. I am pleased that domestic violence and hate crimes are high on the

partnership's agenda, and that there are two new domestic violence courts in the Dudley borough as well as a variety of support services on hand to help.

Tackling antisocial behaviour is a key priority and, since 1999, a community safety team has co-ordinated local council, police and other partners to ensure a consistent and successful approach. In addition, the local council funds a co-ordinator to ensure that work is going on to reduce racially aggravated incidents and those motivated by religious or ethnic hatred or homophobia.

Many of my constituents are impressed by the work of the police community support officers who have been assigned to communities and by their effect in reducing low-level antisocial behaviour. They provide a great deal of reassurance to all residents. Of course the excellent work done by our neighbourhood watches across the constituency cannot be ignored.

I should like to mention here one particular co-ordinator, Mr. Peter Timmins of New Farm road watch, with whom I was privileged to spend an hour or two patrolling the area. Mr. Timmins knows every house and householder, co-ordinates with the residents, police and local agencies and was able to give me a breakdown on every problem and situation on his estate. We really do owe a great deal to these residents who do such a professional job in an entirely voluntary capacity.

Of course it would be entirely remiss of me not to mention the local Stourbridge police force, led most ably by Inspector Mark Thomas, with whom I spent a night on patrol duty only last Friday night. The massive reduction in crime figures in Stourbridge to which I referred earlier is a particular success, not just because of the actual fall but because of the circumstances in which Inspector Thomas and his team managed to achieve them. For those who have not visited Stourbridge—to be fair, I think the majority of my right hon. and hon. Friends on the Front Bench did visit at some time or other during my campaign; at least, it felt like it—to appreciate that achievement fully, one needs to understand that Stourbridge town centre is encircled by a ring road, which somewhat cuts it off from other parts of the town. There are subways, but for the most part they are detested by my constituents as smelly, forbidding places, and there is only one surface crossing.

In the last two years, a number of new large wine bars and pubs have opened up. As a result, and given the presence, too, of a popular nightclub, on most Friday and Saturday nights up to 4,000 young—and merry—people might be decanted into the town centre within an hour, penned in by the ring road and dependent for their dispersal entirely on the supply of taxis and minicabs. In many areas, that could have meant disaster, but not in Stourbridge. Inspector Thomas has redesigned the police team patterns and set up a successful pubwatch group, comprising the main bar owners and managers and other traders in the town.

On my tour of duty, I witnessed excellent community police work and was really impressed by the professional and calm manner in which all situations were dealt with. I did worry, however, that I might wake up to a bad headline when a reporter from my local newspaper saw me being accompanied out of a bar by two burly officers and ushered into the back of a squad car.

However, I might be knocking on the door of the Minister for Policing, Security and Community Safety, my right hon. Friend the Member for Salford (Hazel Blears), at some point, given the cramped conditions in which the police are working. Such conditions are causing some problems, not the least of which is the lack of adequate cell space for offenders. As a result, officers are often taken out of the area and asked to make use of cell space as far afield as Sutton Coldfield and Coventry. That puts undue pressure on the rest of the policing team, and sometimes leads to a reduced response time for other incidents.

I am grateful to have some conventions to honour today. They are conventions in a good cause, and I can think of no better place to start than with a celebration of the achievements of my predecessor, Debra Shipley. Stourbridge has been well served by Debra Shipley, and it was a great shock to us all when she announced her decision to stand down due to ill health. Debra's work on child protection, domestic violence, care standards for the elderly and children's diets—long before that became a focus for celebrity attention—has changed the lives of many people and raised awareness across the UK of what are serious issues. It is a testament to her hard work and dedication that at virtually every door on which I knocked during the campaign—believe me, I knocked on thousands—the resident either knew Debra, had been helped by her, or knew of somebody whom she had helped. She was a very determined and hard-working Member of Parliament, and I hope that one day, I will be deemed a worthy successor.

The past 10 weeks or so have been something of a blur to me. I was selected only a week before the election was called, so to say that I have been on a steep learning curve is something of an understatement. But I am very conscious of the fact that I am here not just because of my efforts, but because of those of a vast army of people—party organisers and staff, members, volunteers and supporters—all of whom encouraged and sustained me during the campaign. I am especially indebted to Alderman John Simpson—often referred to as "Mr. Stourbridge"—Barbara Sykes, Joan Kendrick, Chris Hale and Joe Payne, chairman of my constituency party, who, in his 50th year of party membership, masterminded the campaign to retain Stourbridge for Labour.

Anybody who searches for Stourbridge on the internet will no doubt be directed to a variety of unflattering descriptive terms such as "unremarkable", "average" or "not a picture-postcard destination". I am afraid that I cannot agree. It is said that beauty is in the eye of the beholder, and when I first arrived in the town in the early 1980s, it seized my heart and has grown more beautiful to me each year. It is the town in which I married, and in which I chose to teach and to make my home. It is the place where we chose to bring up and educate our children, and in which we aim to stay. It is also the constituency that I am so proud to represent.

Stourbridge owes its name to an ancient bridge erected across the River Stour, which until recently formed the boundary between Worcestershire and Staffordshire. It was part of the manor of a powerful Norman Lord, William Fitz Ansculf, who supervised his estates from his hilltop castle in Dudley—a fact not lost on my constituents, many of whom to this day resent the fact that Stourbridge is governed and supervised from Dudley by the metropolitan council.

[Lynda Waltho]

The excellent grazing land led to the growth of a thriving wool trade, which is still represented, by a fleece, on the town's coat of arms. The rapidly expanding iron industry soon caught up and overtook the wool trade. Fortunes were made by the mill owners, and forges were powered by water-wheels on the Stour. Local coal, limestone and fireclay fuelled development in the 16th and 17th centuries, giving birth to the area known as the black country. The area became famous for the production of iron work and nails, chain making, bricks and heavy engineering. One of the most famous works was that of John Bradley and Co., which had the distinction of producing the Stourbridge Lion—the first locomotive to run on rails in America. Sadly, the works now lie idle. There is a campaign to restore them, which I am proud to support.

Stourbridge is noted for its fine glass and crystal ware, although the rise of cheap imports has caused the industry to decline to a few specialist firms and studios that produce individual and short-run items. However, visitors can still take a stroll around the glass quarter, where the Ruskin glass centre may be found, which houses many skilled crafts people and some leading British studio designers. Some of my honourable female colleagues travelled on the excellent Labour women's campaign bus to visit me during the campaign. Having spent some time in the shop outlets that contribute to the local economy, they will, I am sure, attest to the centre's quality.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am afraid that the hon. Lady has had her time. I call Richard Ottaway.

6.56 pm

Richard Ottaway (Croydon, South) (Con): It is a privilege to follow the hon. Member for Stourbridge (Lynda Waltho) and I congratulate her on her maiden speech. Those of us who knew her predecessor, Debra Shipley, will recognise that the hon. Lady is in every sense living up to her reputation and ability. I also congratulate my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), all three of whose predecessors I had the privilege of knowing. Tony Berry was an absolute star, I admired Michael Portillo, and I respected Stephen Twigg. My hon. Friend has shown every sign of being able to follow in their footsteps. I wish him well in his north circular campaign, but as a fellow London MP, I advise him not to hold his breath.

This Bill is timely. According to today's edition of *The Times*, a ferry in Devon that has operated for more than 1,000 years is having to suspend service on Saturday nights because its operators cannot cope with the binge-drinking hooligans who use it. That illustrates the need to do something about this issue, but it remains to be seen whether this Bill is the answer. It is by any measure a modest Bill, and with the exception of the alcohol disorder zones, I remain slightly sceptical as to whether it will make much difference. There is a rising tide of crime; indeed, recorded violent crime has risen by 83 per cent. since 1998. However, one feature that I do welcome is the Bill's looking beyond deterrence through punishment to another way of addressing the problem. Conservative Front Benchers are right not to oppose the Bill.

My main concern in representing the borough of Croydon in this debate is alcohol use, but I want also to mention the very serious problem of real and imitation firearms being used by young kids as fashion accessories, which they show off to others. If the Bill goes even a small way towards addressing that problem, it is to be welcomed. But a lot of violent crime is caused by alcohol, and whatever the Home Secretary may say, there is an inconsistency in introducing legislation to combat excessive alcohol use and violent crime, while at the same time introducing legislation to promote 24-hour drinking. When I intervened on him, he said that it is a question of personal use, and that one should not confuse such use with 24-hour drinking. That is no answer. There is an inconsistency here, and no less a person than Sir John Stevens says that the move to 24-hour drinking has to be slowed down.

Many Members have spoken about the impact of alcohol-related disorder on the night-time economy. The British crime survey has pointed out that 30 per cent. of city-centre arrests are related to alcohol use. There is no doubt that dealing with alcohol-based problems imposes a huge burden on police resources, as it is expensive as well as time consuming. A recent survey showed that 70 per cent. of police officers were diverted from dealing with other crimes in order to cope with alcohol disorder and that 88 per cent. of police sergeants found that alcohol was the most significant disorder problem. The Prime Minister's strategy unit, referring to the Police Complaints Authority, said in a study of 58 deaths in custody that alcohol was a factor in two thirds of them—a quite staggering statistic. We now face the situation where the PCC is actually suggesting that it is inappropriate for police officers to take drunken detainees into custody because of the difficulties that such action causes. The Prime Minister's strategy unit estimates the cost to society and the country as a whole at some £7 billion.

In the borough of Croydon, the largest in London, alcohol-related problems are very serious indeed. There is a successful night-time economy at the centre of the town. It is a great place to go and it pulls in people from all over south London to enjoy a night out, to indulge in social drinking and to have a good time—but that brings its problems. A youth lifestyle survey showed that 39 per cent. of 18 to 24-year-olds now go binge drinking and binge drinkers are far more likely to offend.

Some will remember the riots in Croydon town centre during the last World cup, when so many people came out of the vertical retail outlets to protest when England got knocked out of the competition. However, it is not just an occasional problem that happens only on such special occasions; it is a daily regular occurrence in Croydon. The British crime survey showed that more than half of all alcohol-related violence is between strangers and acquaintances and that it occurs in and around pubs, clubs and discos. The Home Secretary was right to say that we need a new approach to deal with that problem.

The challenge is deciding how best to respond to the problem. Croydon police responded by putting on an extra shift of police officers—amounting, if we include all the trainees, to 18 extra officers. The problem is that that means 18 police officers are not out in the rest of the borough dealing with all the other crime going on—and,

believe me, there is plenty of it. There is a fair amount of dissatisfaction within the borough about that. Securing adequate resources is the main problem.

The industry is making substantial sums out of these vertical retail outlets. Anyone going into any of them on a Thursday, Friday or Saturday night will see hundreds of people drinking away like mad, smoking and having a good time. The vendors and owners of these outlets are making huge sums of money, which poses the question why they should not be paying for the extra security demands. That is why I support the alcohol disorder zones in the Bill.

The Prime Minister said in his press conference that the alcohol disorder zones were a last resort. I have to say that that smacks of uncertainty and I would ask Ministers to approach the Bill with greater confidence in its positive outcomes. A consultation document before the election spoke of these outlets contributing towards the cost of disorder, but I have to say that I do not like the word "contribute" and I am worried that local authorities will be too timid. They have to operate in relation to the conditions of nuisance, annoyance and disorder, which are highly subjective.

The explanatory notes say that authorities will be

"likely to cover the costs of initiatives to tackle the problem over and above the normal level of public services".

I would like to see the right to charge in force whenever extra police are needed and I do not want a "contribution" or a "likely" recovery, but a definite one—and at a 100 per cent. level. That is what happens when specials are employed at football matches at Crystal Palace, for example, so why cannot these retail outlets pay for the costs of extra police in places such as Croydon town centre? I foresee rows if extra police are used but there are no alcohol disorder zones. There may be no problems, but if extra police are used, the retailers must pay.

On the banning orders for persistent offenders, I am not convinced, frankly, that they will make much difference. I am glad that the Government have dropped the "three strikes and you're out" policy. Powers already exist in respect of the ASBO legislation, but if someone is banned from an area, all they will do, frankly, is go to Brighton—though I wish Brighton well, of course!

The Bill gives the impression of action being taken, but so did the Licensing Act 2003. We are not talking about incremental legislation in which measures are progressively building up. It looks like it is just another stab or another go at trying to solve the problem. The Government's main difficulty is that they have raised expectations, but will the Bill make a difference? Frankly, the jury is out, but I wish them well in their objectives.

7.5 pm

Steve McCabe (Birmingham, Hall Green) (Lab): I welcome the Bill and I gain the sense that many of us have been sent here by our constituents because they want to know that someone will do something about the problem of violent crime and drunken yobbish behaviour. People are fed up with it and they want us to do something about it.

I received a letter the other week from a constituent, Mr. Smith of Sunderton road. This elderly gentleman wrote me a letter that is probably similar to many that we all receive. He was particularly upset by a report in a newspaper that a bunch of yobs had attacked a funeral cortege. They actually managed to break the window of one of the vehicles carrying a group of 60-year-old ladies who were mourning a lost relative. Mr. Smith rightly asks in his letter what kind of world we are living in and how we can tolerate such behaviour. My answer is that we cannot and will not tolerate it, which is why we need the Bill.

I particularly welcome the proposals for dealing with weapons in general and imitation guns in particular. Many people have campaigned for these measures: rank-and-file police officers throughout the country will be relieved; and the Police Federation will be relieved, as will officers in armed response units. We must recognise that we are in danger, as was mentioned earlier, of developing a fashion culture about guns, particularly among some of our young people for whom guns end up being a sort of fashion accessory. That is one of the reasons why we should be concerned about imitation weapons, which are becoming part of a violent and aggressive culture. That is one good reason for tackling them.

I acknowledge that my right hon. Friend the Member for Southampton, Itchen (Mr. Denham) expressed some concerns about the problem of imitation guns, but it cannot be an accident that imitation weapons are prohibited devices in Canada and that controls are in force against them in places as far and wide as Australia, Malta and the Netherlands. Even in gun-loving California, there are massive restrictions on imitation weapons. We are certainly doing the right thing in the Bill.

I intervened on the Home Secretary earlier to say that without tackling the internet, the measures in the Bill would be virtually pointless. That may have been a slightly inappropriate choice of words, but I would say to Ministers that the effect of the Bill will be severely diluted if we do not tackle the availability of weapons on the internet. I was struck the other week when the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stalybridge and Hyde (James Purnell) wrote to eBay about the disgusting spectacle of Live 8 tickets, which were originally free, being traded for profit. The response was prompt and eBay closed it down. Would Ministers be prepared to write to the organisation about its trade in weapons in order to secure a similar response?

I have some recent examples from the internet site, deactivated-weapons.co.uk. The problem is that we do not know whether those weapons are deactivated as there is no reliable test when they are put on the site. One can buy an MP40, an M4 carbine, a P38, a 226, which comes in a nice black, we are told, or a Chinese 7.6 rifle. Any kid can buy those guns on the net, so there is no point in taking steps to control weapons unless we tackle the internet business.

I do not understand how we can have reached a situation where there are strict controls on reliable dealers yet people can flog anything they want on the internet. When they are tackled about that, they say that they are not actually responsible for the sale but that they merely facilitate the transaction. They certainly pocket the profit, which in some cases is massive, and it is often a profit on crime and death. I hope that I can persuade my right hon. and hon. Friends to reconsider the matter.

[Steve McCabe]

Other Members have mentioned alcohol disorder zones. On balance, they are probably a good idea, although my preference is that people should be able to deal with the situation in a voluntary and co-operative way. I read a story today about Broad street, which is a large regeneration area in Birmingham city centre. By bringing together the police, the council, businesses and, interestingly, the hospital, money was raised to deploy extra police in the Broad street area. There have been two effects. The first is that crime has dramatically reduced. The police report that 18 months ago 40 per cent. of violent crime in the city centre occurred in the Broad street area. Due to that extra policing, the figure is now 10 per cent. Secondly, Broad street is bringing a large amount of money to Birmingham city centre.

I am not as worried as the hon. Member for Winchester (Mr. Oaten) about constituents running to me bleating that the price of their house will be affected because we are tackling violent crime, but I agree that there could be problems about the way that the police and local authorities impose alcohol disorder zones. We must take care that we do not damage good regeneration initiatives by using such zones as a substitute funding mechanism. We should look at positive voluntary experiences and I hope that Ministers will reassure us that they will monitor the introduction of alcohol disorder zones so that problems do not arise.

I want to make one more bid to my hon. Friends on the Treasury Bench. As well as tackling violent crime, we must make it clear that we do not condone those who have been convicted of it. I do not know whether my right hon. Friend the Minister for Policing, Security and Community Safety has been following the case of Mr. Lorworth Hoare, the convicted rapist who bought a lottery ticket when he was on weekend leave from his open prison and won £7 million. He has now left jail and it is reported that it costs about £10,000 a week to protect him. It is not much incentive to hard-pressed, decent, law-abiding citizens to know that money that could be spent on something else is being spent on protecting that rapist thug. Is there scope for an amendment whereby there would be an assessment of the services we provide for such people? A rapist worth £7 million who has to be protected by the police and probation services should be subject to a financial assessment so that we can recover some of those costs. If we cannot do that, why do not we simply keep him in prison? Then he will be perfectly safe—well he might not be, but he certainly would not cost us what we are paying at present. If we were to impose a financial assessment on that chap, the money could be channelled back to the victims of crime and on tackling other aspects of violent crime instead of wasting it on him.

7.14 pm

Mr. James Clappison (Hertsmere) (Con): It is a pleasure to follow the hon. Member for Stourbridge (Lynda Waltho) and my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), both of whom made excellent and accomplished speeches, including well-justified tributes to their predecessors. I am sure that the House looks forward to hearing them again in future and that my hon. Friend, who is a near neighbour, will fight for many of the same causes as MPs in neighbouring Hertfordshire.

The Bill contains some worthwhile measures. There are new developments in some fields and incremental changes in existing legislation and, as the Home Secretary conceded, there is some closing of loopholes. However, taken as a whole, the Bill's title is rather flattering to its contents. Although the Home Secretary has been more restrained than some of his predecessors in introducing legislation, even he oversold this measure. That has been a problem throughout Labour's period in government. There has been overselling of legislation since the beginning, with the Crime and Disorder Act 1998. At that time, Ministers would have dismissed out of hand the criticism that in eight years' time we should need a Bill on violent crime reduction; yet after eight years of one piece of oversold legislation after another, we had the spectacle of the Prime Minister appearing on the steps of Downing street just after the general election telling us that he had been taken aback by what he had heard during the campaign. He described the problem of yobs in society and talked of the need to rebuild respect.

Where the Bill assists in rebuilding respect and tackling the yob culture it should be given support, but we should never lose sight of the fact that we need to do much more. Nowhere is that more true than in the field of firearms legislation. One of the most worrying developments of the past eight years has been the rise in gun crime, which has doubled in the past five years alone. No interpretation of the statistics—no sleight of hand—can make them appear better. However we try to divide the categories of firearms legislation, as the Home Secretary was tentatively trying to do during his speech, we must keep in view the fact that there is a grave problem of crime involving the use of firearms. It is concentrated in certain communities and has blighted some inner-city areas. Many police officers believe that there is a risk that it will spread to many other communities.

The provisions in part 2 will require careful examination. We need to ensure that they give as much protection to the public as possible while not losing sight of the desirability of safeguarding the interests of people who use weapons legitimately. The provisions must make some difference in practice, but above all we must remember that much more needs to be done, as the crisis is urgent.

Similarly, much more remains to be done about alcohol-related disorder, although the problems are different. I commend much that was said by the right hon. Member for Southampton, Itchen (Mr. Denham). I had the pleasure of serving under his chairmanship of the Select Committee on Home Affairs when we conducted our inquiry into antisocial behaviour and considered the problem of alcohol-fuelled disorder. I was struck by the scale of the phenomenon of drinking in our cities and indeed our towns—we have heard from hon. Members about the problems in communities of various sizes.

The chief constable of Nottingham gave evidence to the Committee and told us that on the previous Friday between 80,000 and 100,000 people had been in Nottingham city centre, policed by only about 40 officers. He also told us that the licence capacity in Nottingham was 61,000 people in 1997 but that by 2004 it had risen to 108,000.

Clearly, the vast majority of those who go for an evening out in Nottingham are well behaved—those of us who remember the film "Saturday Night and Sunday Morning" will know that this has happened from time to time in the past in Nottingham—but the sheer scale of the phenomenon and the atmosphere that it engenders must be addressed, and there are many ways to do so, other than just by enforcement alone, although that has a part to play, and by the marginal improvements in enforcement that the Bill will produce.

I wish to refer to one of the ways in which we could tackle the problem of bad behaviour, antisocial behaviour, the decline in respect and so on. There was some talk before the publication of the Bill that the Government would consider giving extra protection to public servants. I was disappointed to find nothing in the Bill about that, and I understand that there are no other such proposals—if the Minister has any, I shall be pleased to hear about them.

Public servants are often in the front line of those who face violence and antisocial behaviour. In many cases, they are not treated with the respect that they deserve, and which they once received. I think particularly of the lack of respect shown to and, sometimes, the offences committed against teachers, doctors and nurses, those in the emergency services, those who serve the public in local and central Government and those who provide transport for the public in many different ways. All those people serve the public.

I believe that there is a case—I hope that we will be able to explore it in Committee—for considering providing extra protection to those servants of the public in the form of more serious sentences for those who commit offences against public servants. That can be justified in theory. Such things should be treated as aggravated offences because all the people whom I describe serve the public, the nature of their jobs requires them to come into contact with the public and the service that they provide to the public is interfered with by the offences that are committed against them.

Even those in the emergency services can sometimes be the victim of such offences. Since these ideas came to mind, during last week in my constituency, there has been a serious report of how such things can arise. The fire service was called to deal with a report of a neon sign malfunctioning outside a pizza parlour in Borehamwood at about half-past 10 in the evening. As a fireman examined the sign to find out whether it was safe, he was shot in the forehead by a pellet fired from an airgun. Another man was shot in the arm. Both men were taken to hospital. Thankfully, their injuries turned out not to be serious; but, as the police said afterwards, it was an incredibly reckless action.

I do not know—no one can know at this stage—whether the measures in the Bill on air weapons would have covered that offence, related to it or helped in any way. It is too early to say; we do not know enough about the circumstances of the offence, but we clearly know that it was an attack against a public servant acting in his very important line of duty, protecting the public—someone who puts himself in the way of enough risk already, without being exposed to more by members of the public committing offences against him. Someone who goes out to work on behalf of the public should receive additional protection.

Although some of the individual measures in the Bill may be worth while, I hope that during its consideration there will be an opportunity to consider giving much stronger protection to those who serve the public. Such measures would do far more to rebuild respect in our society, as well as doing justice to our public servants and giving them the protection that they deserve, than the measures that are currently in the Bill. Frankly, much more needs to be done by legislation and in many other ways. As we all know from our constituencies, and as the Prime Minister found out during the election campaign, there is a serious problem today with disorder, and we have not yet reached the right scale of dealing with that disorder to meet the needs of our constituents.

7.24 pm

Ms Sally Keeble (Northampton, North) (Lab): I join the tributes to the two hon. Members who made their maiden speeches. In particular, my hon. Friend the Member for Stourbridge (Lynda Waltho) paid an elegant tribute to Debra Shipley, and I am sure that many hon. Members who have been friends with Debra very much appreciated her words.

One reason why I particularly welcome the Bill—I take issue with the hon. Member for Hertsmere (Mr. Clappison) in this respect—is that it deals with the type of violent crime that my constituents experience most and that causes them most concern. Mercifully, most of them are not the victims of some of the very serious crimes, such as murder, but many of them experience crimes that result from alcohol, or if they do not experience them, it is because they are frightened by them and keep out of the town centre. Tackling alcohol-related crime will have a huge impact on the quality of life of many of my constituents and, indeed, on the environment that they enjoy. I want to talk about the measures on binge drinking, but I also want to ask my right hon. Friend the Minister whether she might say something about so-called happy slapping. The Bill contains a measure about mobile phones, but it is very restricted and I want to ask her some questions about that.

I shall deal first with binge drinking. I warmly welcome the proposals on alcohol disorder zones. I have been convinced of the need for such zones since going out on the beat with the Northamptonshire police in the town centre a good number of years ago, when I saw huge pressures on the police as a result of the weak management of late-night drinking in the town centre. One night, there were 13 or 14 arrests, which is probably the equivalent of a small riot, and young people suffered serious injuries. Of course, the town centre becomes a complete no-go area for anyone over the age of 25, in a family group or not either very drunk or interested in getting drunk.

The issues that have arisen in many of our town centres have been caused by weak approaches by the drinks industry, sometimes a lack of thought in town-centre design by the local authority—my hon. Friend referred to that in discussing her constituency—and, of course, the attitudes of young people to drink. Quite a few hon. Members mentioned the issue of fashion in crime. All those issues need to be tackled.

[Ms Sally Keeble]

On the drinks industry, a number of hon. Members talked about the state of the insides of venues and the fact that there is nothing to do other than stand up and drink. There is a lack of mix in entertainment and, in particular, a lack of food. Going around some of the venues that must make provision for eating as part of their licence, one commonly finds that the restaurant is shut for one reason or another. The hon. Member for Croydon, South (Richard Ottaway) talked about people standing and drinking. He struggled to think of what else they were doing and then said that they were enjoying themselves. In some venues, one wonders how much of what is going on is enjoyment and how much is just drinking for the sake of it.

The management of young people by club staff is also a major issue. Young people go into such places, have as much alcohol poured down their throats as possible and are then chucked out on to the street, thereby creating an immediate problem that the police must deal with. It seems completely inappropriate that the police should have to manage that, which is one reason why alcohol disorder zones are so important.

I take issue with hon. Members who have criticised the new licensing laws. Although I probably err on the side of wanting to see less drinking, the new licensing laws give local authorities more flexibility to think carefully about how they will stagger the opening and closing hours, thus raising issues that they have not considered before, such as the mix of business and how to provide licences.

Roads and transport are also serious issues. I am pleased that the explanatory notes specifically mention the use of income from such zones for transport schemes, which will, of course, also have a major impact on improving public safety, given that drink-driving is a fairly logical consequence of too much drinking if there is no other form of transport.

Alcohol has an impact on crime and several hon. Members have talked about its impact on policing. It leads to increased costs if policing is funded by overtime, while police resources are drained if that is managed by routine rostering. One often wonders why burglars do not wait until Friday and Saturday nights to operate because they know that all the police are safely in the town centre dealing with alcohol-related problems.

Steve McCabe: Some of them do.

Ms Keeble: I am sure that my hon. Friend is right.

We do not realise the profound impact of crime arising directly from the use of alcohol. The British crime survey produced a good special report on alcohol-related assaults—I am not sure whether that is the report to which several hon. Members have referred. The most recent figures, which are for 1999, projected that 1.2 million incidents had occurred, although not all were reported to the police. Although those incidents involved a small proportion of the population, the report showed some serious profiles.

More than half the assaults left the victim with a form of injury. There was a strong link with age, with the group most at risk of assault being 16 to 19-year-olds. There was also a strong link with gender because some 90 per cent. of alcohol-related assaults were committed by men only. Five per cent. of assaults were committed by women and 5 per cent. by mixed groups. The biggest single group on which assaults were committed was strangers. About 320 alcohol-related assaults represented domestic violence, which is a major problem. Although men are more likely to be hit by a drunken stranger, women are twice as likely to be hit by a drunk whom they know. We must think about how we can cut violent crime, and especially domestic violence, by dealing with problems involved with drinking.

When the Bill's provisions come into force, we must avoid the situation that occurred with antisocial behaviour orders when local authorities were slow to take up their powers. I hope that local authorities will be encouraged to take up the powers in the Bill to ensure that people can reclaim their town centres from the drinking venues and the behaviour that we have seen.

I have written to my right hon. Friend the Home Secretary about the problem of so-called happy slapping. I am worried about the way in which that horrible new craze of a crime is being treated, especially because of incidents that have been raised with me in my constituency. It is not the case that only young people and school kids are doing it, because there is evidence that older people are committing the offence to get pictures of children on their mobile phones. I wondered whether guidance can be issued so that such an action is treated as not only an assault, but a form of child abuse, which would mean that its seriousness could be reflected by the way in which it was treated by the police and the courts.

I know that the matter does not lend itself immediately to legislation, but I hope that my right hon. Friend the Minister for Policing, Security and Community Safety will say something about the way in which the offence should be treated. Unfortunately people abuse new technology in all sorts of extraordinary ways. It seems that the crime has come out of nowhere to become a problem not only in schools, but because older people are hitting children and compounding that by taking pictures of the incident, which I regard as a form of child abuse.

The Bill will substantially improve many of my constituents' quality of life by dealing with crime, and especially crime involving 16 to 19-year-olds. It will do a lot to reduce some of the worst crimes experienced by women and make it possible for people like myself, who are no longer under 25, to take our families into town and enjoy a night out without having to worry about the behaviour that has unfortunately marred too many of our towns.

7.34 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): I give a general welcome to the Bill, but there is a lot of devil in the detail, so much careful work will be required in Committee. There seems to be consensus in the House about the problem, but not complete consensus about the cure proposed in the Bill.

I have some concerns about drink banning orders because they will once again move the problem on instead of dealing with the cause. I would like a study of why people drink themselves silly on Friday and Saturday nights, as has been suggested.

Stephen Hesford: Does the hon. Lady accept that a historical reason why people drink themselves silly is last orders? They get drink down their necks at last orders before piling out on to the street, so one of the aims of the Licensing Act 2003 is to deal with that culture.

Lynne Featherstone: I accept that people drink themselves silly to get to last orders, but they also do so during happy hours, so the hon. Gentleman's point does not fully explain why that happens. There should be a pause for thought about 24-hour licensing, although the extension is a good idea for those who behave in a civilised manner. The hon. Gentleman's point does not address the reason why people drink themselves into oblivion early in the evening before continuing on their journey by going clubbing.

Ms Abbott: Does the hon. Lady agree that last orders is not the heart of the problem? There is something distinctive about the British drinking culture because the British go out to drink themselves into oblivion, while people of other countries and cultures drink more for pleasure.

Lynne Featherstone: I agree with the hon. Lady that there seems to be a British malaise. Additionally, people seem to have an inability to feel the cold when inebriated because they often go round in very little clothing at such times.

I understand the idea behind alcohol disorder zones because Hornsey and Wood Green has good voluntary organisations called clubwatch and pubwatch that work together to create exactly what I think that the Government are after. I think that the Home Secretary misunderstood what I said before about this matter. I am worried that, although the law treats good and bad landlords differently, alcohol disorder zones will not do so. Although I agree with the principle that the polluter pays, the charge will be levied equally across the board. I wonder whether the local authority should be able to vary the levy according to the behaviour of individual landlords. Will the local authority be able to use the money for purposes such as cleansing, because males seem to have a technical problem when there is a lot of alcohol involved?

I welcome the Government's proposals on imitation weapons, which are an abomination. I have served on the Metropolitan Police Authority for the past five years and visited SO19, where I saw a room containing a range of exact and precise imitations. No police officer should have to make a split-second decision about whether such weapons are genuine. The police have a training video that puts people in a crime scene so that they can make such a decision, but I would not know which way to choose, so I welcome the innovation.

I questioned the Home Secretary earlier about why the Government propose to change the penalty for carrying an imitation firearm from six months to 12 months, because, unless that extra six months leads to a measurable difference, the proposal becomes gesture politics. Is that increase correct or should it be greater? The carrying of imitation weapons is serious, especially if they are used to frighten the public or commit robbery or crime, so we need to examine the matter more closely.

There were three stabbings between 1 and 8 June in Hornsey and Wood Green and our neighbouring constituency of Tottenham. Although I understand the Government's desire to raise the minimum age at which knives can be sold, I am not sure that that is the cure. We must consider the parity between sentencing for knife and gun crime. I said in my recent maiden speech that guns and knives do not just blight lives, but end lives. There is a malaise among young people. Guns and knives are not simply fashion accessories, but status symbols. People in areas of London and parts of my constituency aspire to criminality. Although the Bill addresses the need to be tough on crime, what, to coin a phrase, about the causes?

In summary, I admire the Government's attempt to send a cultural message to shift society, if that is what they are doing. Some of the great social shifts have been achieved as a result of legislation, such as the drink-driving laws and laws on wearing seat belts in cars. However, legislation was not enough on its own. It worked in conjunction with a huge effort on campaigning and advertising. I am old enough to remember "Clunk-click every trip." It is unacceptable to get drunk in a pub and step into a car without people looking askance and I feel loose if I drive off without my seat belt on because using it is embedded in my behaviour.

If the Government are sending a message that people drinking themselves into oblivion is wrong, there has to be an enormous campaign to back that up. One of the difficulties that they wander into is that too many laws and too many changes from what is a civil law to a criminal law mean that there are too many messages. They have to be clear, specific, targeted and focused on how they change society for the better. We are talking abut twin evils. They need addressing, which the Government are doing.

Along with the Tory and Labour parties, I co-hosted a public discussion with the author Michael Jacobson, who has written a book on downsizing prisons. The basic thesis is that, as we reduce the prison population by finding other mechanisms for dealing with crime—rehabilitation, justice panels and so on—the corresponding effect is that crime drops, which means that the prison population drops again. The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) said that the Liberal Democrats were against the Anti-social Behaviour Bill. At the discussion, both Tory and Labour Members said how much we needed to deal with the causes of crime. We were attacked for saying that the best way to treat a woman for a first offence of shoplifting was not to put her in prison, but that is not being soft on crime.

The Bill will reduce the number of incidents only temporarily if we do not deal with the causes. We are not soft on crime. We are tough on crime, but we are also interested in helping people. Tougher laws, more laws and longer sentences are a failure of the administration of justice. It is a cry for help from the people whom we represent to do more than just create additional laws.

7.43 pm

Richard Burden (Birmingham, Northfield) (Lab): Every hon. Member has said that tackling violent crime and intimidatory antisocial behaviour is a priority for

[Richard Burden]

our constituents. My hon. Friend the Member for Birmingham, Hall Green (Steve McCabe) was right when he said that people want to know not just that we are concerned about such things, but what we are going to do about them. The Bill is an important step along the road in tackling alcohol-related crime and antisocial behaviour.

I want to address part 2. The link between replica firearms and violent crime is clear. The statistics have been mentioned and are widely available. We must tackle that problem and do something about replica firearms. Although the Bill will probably contribute to that, I share some of the concerns expressed by my right hon. Friend the Member for Southampton, Itchen (Mr. Denham). I hope that the Committee will consider the problems of definition, because they could give us problems. It is only right that the Bill covers possible exemptions, but jumping too far one way will drive a coach and horses through our legislation while jumping too far the other way will outlaw collectors' items. We need to consider that in detail.

I want to concentrate on selling guns and knives. My hon. Friend made a good point about internet sales. I have concerns about holes in existing legislation and its implementation as it relates to existing retail outlets. According to the Knives Act 1997,

> "A person is guilty of an offence if he markets a knife in a way which ... indicates, or suggests, that it is suitable for combat; or ... is otherwise likely to stimulate or encourage violent behaviour involving the use of the knife as a weapon."

That is relatively clear. Looking at some of the retail outlets in my constituency and other places, however, I find it difficult to relate what is on sale, and how it is marketed and advertised, to that legislation.

A market stall in my constituency is called Guns and Knives, and it is a bit like the ad that says "It does what it says on the tin", because it has an array of everything from crossbows to ninja knives, to all kinds of blades and BB guns. Today it advertised an Uzi sub-machine gun at cut price, although I do not know whether it was a replica or BB gun. I am not suggesting that the retailer is breaking the law or selling knives to children. The evidence is that he is not. It is also true to say that he has signs up saying "For collectors' use only".

However, residents are concerned about how the products are marketed and the fact that they are in their face when they walk past the stall. In fact, they are so concerned that when the local Labour party organised a petition a month or two ago on the marketing of guns and knives in the open, people queued up to sign it. There was no doubt about the concern. I pay tribute to my constituent, Lucy Seymour-Smith, who brought the petition together and presented it to the local council, which is considering it. I am pleased to say that the local paper, the *Birmingham Evening Mail*, has taken up the problem and did a fairly major piece on the stall. It has raised some of the concerns felt by my constituents. The article brought out the suggestion that a blade from the stall was used in a violent incident not far from the constituency.

There is a problem with how knives are marketed. Bearing in mind what the 1997 Act says about blades not being marketed in a way that suggests they are used for combat, it is significant that another shop in my constituency is called Combat. It sells things to do with legitimate martial arts—kendo and forms of unarmed martial arts—but there are also various forms weapons or imitation weapons in the window. I am not suggesting that the trader does not draw a distinction between selling equipment for kendo and having a Samurai sword purely for ceremonial purposes. Perhaps he does. If we are trying to counter the culture of violence, we need to be a lot firmer and more focused on breaking the link between legitimate martial arts and the glorification of violence that is all too often associated with the marketing of imitation guns, blades, crossbows and so on.

Where blades are concerned, it is not just a case of new legislation; the issue is one of enforcement. However, retailers have a responsibility not simply to put up a sign saying "For collectors' use only" and then to market and advertise the items in a way that runs counter to the message that that sign gives. If they advertised their goods on television or in the press, they would be covered by an Advertising Standards Authority code of practice that would severely limit the way in which they did so. Yes, it is a system of self-regulation, but there are ASA rules. However, a retailer selling from a market stall or a shop can put what they want, how they want it, in their shop window as long as they can point to their sign saying "For collectors' use only". They are under little obligation to adopt reasonable standards and to market their items in a way that indicates that they are for collectors' use, rather than in a way that glorifies violence. There is a link between the way in which such items are marketed and the culture of violence that can lead to people seeing guns or knives as attractive fashion accessories and, further down the line, to the committing of violent crimes.

As well as giving the Bill its Second Reading and examining it in detail in Committee, I ask the House to think about how we can be more proactive about ensuring that the provisions of existing law—in particular the Knives Act—are enforced. Ministers should also consider negotiating and drawing up with the retail trade a code of practice similar to the ones relating to print and electronic media, so that there is some oomph behind the legislation. In that way, police and trading standards officers will have an extra tool to use when they visit retail premises. We must have some means of ensuring that marketing to the legitimate collector—the person who wants to have a ceremonial dagger on their wall, for example—is not used as a cover for the glorification of violence and weapons.

7.53 pm

Mr. David Gauke (South-West Hertfordshire) (Con): I congratulate those hon. Members who have made their maiden speech today. The hon. Member for Stourbridge (Lynda Waltho) demonstrated an impressive love of her constituency. My hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) showed all the abilities of his two immediate predecessors, both of whom advanced swiftly to the Front Bench. I am sure that he will do the same. I note that, like many other members of the new intake of Conservative MPs, my hon. Friend referred to Sir John Betjeman: if many hon. Members in the next Parliament follow that example, in addition to a tribute

to one's predecessors and a guide to one's constituency, a reference to Sir John Betjeman in a maiden speech will become one of the conventions of the House.

This is not my maiden speech, but I shall say a word or two about my constituency. South-West Hertfordshire is a green and pleasant land—a largely prosperous area containing a number of strong communities. Yet, like many other areas mentioned in today's debate, it suffers from violent crime and antisocial behaviour. This week, my local newspaper mentioned a mugging in Rickmansworth and a shooting in South Oxhey. This time last week, an incident occurred in the road where I live in Chorleywood, which was described as one of the happiest places in Britain only a year ago, but which suffers from antisocial behaviour.

Often where antisocial behaviour is prevalent, a place feels no longer under the control of the authorities and violent crime can arise. My local newspaper also mentioned the neighbouring constituency, Watford, where violent crime increased by 38 per cent. on last year's figures. We have heard many references to statistics: the Government tend to refer to the British crime survey and Conservative Members to recorded crime figures, and conclusions differ according to which figures are used. However, the right hon. Member for Southampton, Itchen (Mr. Denham) rightly said that there is among the public a perception and a real fear of violent crime and antisocial behaviour—hence the Bill, no doubt.

The Bill appears to me to comprise a modest set of proposals, to none of which I strongly object. Like many other hon. Members, I have been contacted by airsofters concerned about its impact, so I welcome the assurance that a way forward will be sought that accommodates concerns about replica weapons but maintains airsofting. Such an approach is desirable and I shall support those efforts. However, as I said, there is little in the Bill to which Conservative Members fundamentally object. There is great concern about drunken behaviour, which I see throughout my constituency, in Tring, Berkhamsted, Rickmansworth and Chorleywood. All suffer from that problem and, although I doubt that any of them would fall within an alcohol disorder zone, any measure that might change the culture relating to alcohol would be welcome.

Considering the broader question of how to reduce violent crime, I do not believe that the Bill will make a substantial difference, and I doubt that many hon. Members think it will. Some of the offences will be useful for the authorities' efforts to assert law and order, but there is little that will be greatly helpful. If our aim is to reduce violent crime, we should be paying more attention to international comparisons, in particular the example of New York. During the 1990s, violent crime in New York fell by 60 per cent. and there are clear lessons for us to learn from that city and the policies followed there.

First, we should implement a policy of high-visibility policing. That means reducing the bureaucracy with which the police have to deal, with the result that they spend a lot of time in the station. We also have to increase police numbers; that worked well in New York, which has much greater density of policing than a comparable city such as London. We should set out tough sanctions, whether imprisonment or some other measure. My local police are concerned that when youths are convicted of antisocial behaviour offences, nothing happens to them to prevent their going out and offending again—indeed, their first experience of the criminal justice process emboldens them to commit further crimes, because they feel that the authorities can do nothing to them.

We need more community policing—a point on which there is consensus across the House. Calls for more community policing are not uniquely Conservative, but we need police who are known within their area and who have good contacts. They should be based there, and should not be hauled off to large cities or towns, as happens to the police in Berkhamsted and Tring, who are hauled off to Watford on Friday and Saturday evenings as a matter of course.

How do we bring all those proposals together? There is a clear distinction to be made between arrangements in New York and in this country, where local accountability is entirely lacking. Police authorities are regarded as having little importance and are not thought to represent fully the views of local people. My constituents are frustrated that there is nothing that they can say or do to influence the police in their area. Rightly or wrongly, the police are often regarded as distant and out of touch. The people of Britain need greater control over the police in their locality, which is why many of us advocate the establishment of directly elected police commissioners or, to use a more catchy word, sheriffs. The police need to be in contact with the communities that they serve, but at the moment there is distance between the people and the police, who do not necessarily respond to ordinary people's priorities. Giving them another piece of legislation with which to enforce their presence may be helpful, but until we change fundamentally the culture of our criminal justice system to make it more responsive to local public opinion I fear that we will continue to face violent crime at record levels.

8.1 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful for the opportunity to speak in this important debate. I should like to focus on the issue of gun crime and the steps in the Bill that, I hope, will help us to tackle that scourge. As I said in an intervention, gun crime casts a peculiar shadow over communities such as mine in Hackney. I remind the House that when those of us who live in the inner city talk about gun crime we are talking about something very different from the criminal use of guns down the ages. Guns have always been used in crime, including, for example, the great train robbery. In the past decade in inner-city Hackney, however, I have witnessed the growth of a specific gun culture, in which young men do not feel properly dressed for a night out unless they are tooled up.

People may talk about guns as replicas or collectors' items, but individuals who want guns as ornaments on their dining-room table or on their walls are feeding the gun culture. Another feature of Hackney's gun culture is the random nature of shootings. Once, unless people were armed robbers or security guards, they were unlikely ever to find themselves face-to-face with a gun, but in my constituency there have been drive-by shootings in which people were killed while waiting at a

[Ms Diane Abbott]

bus stop. At a party, people have been killed by a bullet from a gun fired in another room that passed through the wall. In the past two weeks, people were shot up in a Turkish restaurant in Dalston by people travelling past on a motorbike. Imagine the terror experienced by people in a restaurant, at a bus stop or walking up the street when they see two guys go past on a motorbike spraying bullets.

The random nature of gun crime in the city and its international nature give Hackney's gun culture a specific character. Disputes about drugs and payment may originate in Mountain View, Kingston in Jamaica but they are resolved on the streets of Dalston in Hackney. Just as business and labour have gone global, so has crime. Hackney is involved in the traffic of criminals between New York, London, Jamaica and elsewhere. There is therefore a distinct and unnerving phenomenon in an area where high-value housing lies cheek by jowl with what is commonly known as murder mile. For many years, I have urged Ministers to take tough action on imitation firearms. In Hackney, such firearms are not ornaments like vases or a piece of china. They are one step away from real firearms. The majority of what are misleadingly described as Yardie-type shootings in London—most of those involved do not come from Jamaica or have not travelled there—are perpetrated with activated imitation firearms. That is why I take a tougher line than colleagues who regard such guns merely as ornaments.

The problem is not just a media scare. The publication of annual crime figures show that gun crime has risen by 10 per cent. and the use of imitation weapons by 66 per cent. Last Monday, a 22-year-old was shot in Dalston, and he is still in hospital. In the past 10 days, a 20-year-old who was trying to stop a friend being beaten up was shot in the face. As I said, bullets were sprayed into a Turkish restaurant by a gunman on a motorcycle in Dalston. Gun crime is a tragedy not just for the people who are shot but for their family and the community. What can it be like to be a mother who says goodbye to her son in the morning or the afternoon only to receive a call from the police saying he has been shot and may be dying?

I welcome the Government's action, including tougher sentences for people carrying imitation firearms. I particularly welcome the creation of a new offence for using other people to hide and carry guns or knives. For many years in Hackney, 11, 12 or 13-year-old children have been used to keep guns, because the owners know that when those children are discovered they will not receive the sentences given to adults. The Bill's clear intention to bear down on the carrying, sale and use of imitation firearms is welcome, and my constituents will be grateful that the Government are listening.

We must make it clear, however, that the glorification of guns and firearms is not unique to youth culture or even black youth culture. Recently, promotions for the film "Mr. & Mrs. Smith" featured the gimmick of a glamorous couple—Brad Pitt and Angelina Jolie—handling guns. Sometimes people assume that gun culture is specific to inner-city areas such as my constituency, but guns have been glorified in American culture since the days of Wyatt Earp. I welcome the measures in the Bill on imitation weapons, for which the police have been calling for many years. I do not want those measures to be watered down by people who consider such guns to be merely ornaments.

Measures in the Bill, however, will not wipe out the menace of gun crime in the inner city. We need to look at a number of underlying issues, including education. I have spoken many times in the House about the underachievement of black boys. I am not claiming that every child who underachieves at school joins a criminal subculture and goes on to become involved in firearms, but there is a direct link between criminality, whatever one's colour, and underachievement. If we are serious about beating gun culture in the Hackneys and Harlesdens of our country we must look at educational underachievement and the need to create routes into employment. Someone can stand in the middle of Dalston in my constituency a few hundred yards from the scene of various shooting incidents and see the towers of the City of London, including the gherkin and the NatWest tower. For most of my young male constituents, however, those towers might as well be on the other side of the world, so remote is their opportunity to find a job in the City, one of the biggest employers in Europe.

We must therefore look at education and routes into employment for my constituents. We must also look at witness protection. In Hackney—I do not know about areas outside the M25—by and large the identity of individuals carrying out the shootings is not a mystery. The gangs and perpetrators are well known within their communities. The problem is that people are terrified to come forward because we still do not have adequate witness protection. If there is a big gangland investigation, people can have their identity changed or whatever, but I have spoken to middle-aged ladies who have gone to court and been witnesses in the trials of gun criminals and have had to move two or three times to get away from the fear of retribution. Witness protection is extremely important.

We also need to look at better control of the illegal importation of weapons and at the issues that colleagues have raised in relation to the sale of weapons on the internet. Of course we do not have anything like the level of gun crime that exists in the United States, and of course only a fraction of our young people are involved in the kind of gun culture that I described, yet that has cast a terrible shadow over my constituents because of its random, international and cultural nature. I am glad that in the Bill the Government are taking important steps towards dealing finally with the menace of gun crime in our inner-city communities.

8.10 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I compliment the hon. Members for Enfield, Southgate (Mr. Burrowes) and for Stourbridge (Lynda Waltho) on their excellent maiden speeches.

Here we have the 41st or 42nd Home Office Bill in the history of this Government. Once again, I am afraid, the most effective part of the Bill is the title, which bears little relation to the contents. The hon. Member for Birmingham, Northfield (Richard Burden) said earlier

that if existing legislation with regard to knives were put into effect properly, we would not need any reference to knives in the Bill. However, I welcome part 2.

Richard Burden: With respect, I did not make the comment that the hon. Gentleman attributes to me. The point that I was making was that there is existing legislation on knives which needs to be enforced properly. I did not say that we do not need the provisions of the Bill.

Mr. Llwyd: I apologise if I misunderstood the hon. Gentleman. I accept what he says, of course.

The offence of minding a weapon is an excellent step forward. From my experience of the courts, it has been needed for some time. The Government have got that right. The provisions on firing beyond premises are also right. I welcome the provisions on imitation weapons, a subject on which I have campaigned long and hard. I am pleased that something is being done. With regard to airguns, a licensing system would have been preferable. Those can be extremely dangerous, and we know that the Royal Society for the Protection of Birds, for example, reports many garden birds being killed year on year. There are also several examples of domestic animals being shot with airguns. The Government have rejected the idea of licensing, but in the spirit of the Home Secretary's opening remarks, I hope that there can be a dialogue on the matter in Committee and further consideration of the matter.

Mr. Weir: My hon. Friend will know that in Scotland there is a great deal of cross-party consensus on the need for tighter legislation going beyond the Bill. That was supported by the First Minister before he was slapped down by the Home Secretary. Given that consensus, does my hon. Friend agree that there is an opportunity to trial a licensing scheme in Scotland?

Mr. Llwyd: Definitely. Clearly, if such a scheme works in Scotland, it can be emulated south of the border and in Wales and introduced as best practice. I hope there will be a dialogue on the subject.

On knives, I do not know whether raising the legal age for buying a knife will be a great step forward. We shall have to wait and see.

What causes me greatest concern is the various provisions concerning drunkenness. I am the first to admit that there is a problem; I would be foolish to deny it. We know that in 2002–03 44 per cent. of violent offences were committed by people who were drunk. However, we are still shy of examining the causes. I have said many times before and I will say again that drinks companies market alcopops to youngsters. Youngsters enjoy themselves, and why not? They drink the stuff and within a short time get terribly drunk. The problems follow from there.

That is not the responsible sale of alcohol. I do not believe that it is right to leave the Portman Group in charge of operations in that regard. At some point some form of legislation will be needed. I do not want to prevent youngsters enjoying themselves, but the vast majority of young people in our town centres are probably far more drunk than they want to be, because alcopops are so easy to drink.

I note that the Bill deals with another hobbyhorse of mine—the existing offence of selling alcohol to a person who is drunk, and an increase in the fine. Good. Let us hope that from now on the provision will be enforced, which has not been the case up till now.

Let us consider the existing provisions on drunkenness. It is an offence to be drunk and disorderly. Dispersal orders were provided for under the Anti-social Behaviour Act 2003. The Crime and Disorder Act 1998 introduced antisocial behaviour orders. Community or suspended sentences may have an exclusion requirement among their conditions. If all those were properly used, would we need a drink banning order? We often speak about legislating when there is not strictly a need for it. No doubt I will be corrected if I am wrong, but I pose the question whether there is a need for further legislation. If we are to ratchet up the penalties for public drunkenness, there must be a real need for it. We should not find a need simply because we are not enforcing the existing law.

I am sure there is a need for alcohol disorder zones, but I hope the provision will not be used as a blunt instrument. The British Beer and Pub Association is extremely concerned—it would be, wouldn't it—about the provision. I believe that the "polluter pays" principle is fine, but many responsible licensees will be tarred with the same brush as those who are not. I am not sure that that is acceptable. There is an argument that there are already plenty of laws in place to achieve the desired aim. The problem may be that there are not enough police officers out on the streets. We heard earlier that police were called from one place to another on a Friday or Saturday night. Maybe the answer is more policemen on the streets.

I would be wary of declaring a city centre to be an alcohol disorder zone, thereby blackening the reputation of that city centre in toto and tarring responsible businesses with the same brush. The Association of Chief Police Officers is worried and stated in its evidence that the zones may well be a problem because of the links between longer drinking hours and yob behaviour, the cost to the taxpayer and the fact that more officers would spend time in court rather than crime-fighting. ACPO also says that the zones will

"allow the police and local authorities to take action against pubs and clubs whose customers cause problems after closing time."

That is fine. However, the ACPO document makes it clear

"that the police have serious doubts about whether the proposals will prove effective. ACPO is concerned that the proposed zones will be routinely challenged through the courts at considerable cost to the public sector, in terms of time and money."

ACPO goes on to warn:

"Defending our position in the courts diverts our resources away from where they should be and does little in the meantime to reduce crime, disorder and anti-social behaviour".

The Local Government Association welcomes the opportunity to consider the provision and points out that it deals with a sensitive matter. I hope it will be used sensitively, with the caveats that I have mentioned.

I was not in favour of the introduction of ASBOs, because I thought that they were a blunt instrument, but, to the Government's credit, they are working in some areas. ASBOs are most effective when stages 1, 2 and 3 of

[Mr. Llwyd]

the process are used in partnership, and north Wales is a beacon of good practice in that regard. The fact that fewer ASBOs are used in north Wales does not mean that North Wales police has failed. North Wales police has succeeded because such matters are being dealt with at stages 1, 2 and 3 rather than at stage 5, which involves applying for an ASBO. I hope that that sensitive, thinking attitude is adopted on alcohol zones, too.

The Local Government Association has raised the concern that the name should be changed to "alcohol management zone", which would be more salubrious and less offensive to the good people who live and work within a particular zone. Zones are necessary, but the requirement for them would decrease if we were able to secure more police on the streets. The Home Affairs Committee has considerable reservations about the zones. Although it accepts in principle that clubs and pubs should contribute more to the cost of disorder, it is concerned about proposals in the Bill that may be difficult to operate. Those proposals rest on the premise that individual licensed premises must be at fault for surrounding disorder, which cannot be right. As I have said, the matter must be dealt with sensitively.

There is room for dispersal orders, provided that they are used sensitively, but Liberty is concerned that the police will be both judge and jury in their own court, which might have unfortunate consequences for a person who is effectively banned without any real recourse to the law. The existing offences relating to public order and drunkenness are adequate to deal with those matters. The Bill introduces an offence that may not be necessary, but if it is necessary, I hope that it is employed rarely, sensitively and properly. I have nothing but faith in the police, but it is always dangerous to put a police officer in a position in which they make a judgment whether a certain course of action is right or wrong.

Parts of the Bill commend themselves to the House, but large parts of it would be—to use a parliamentary word—otiose, if we used the existing legislation and spent more on putting more police officers on the street.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. As a significant number of Members are still seeking to catch my eye, in accordance with the order of the House of 26 October on shorter speeches, Mr. Speaker has decided that between 8.30 and 9.30 pm, a six-minute time limit will apply. I intend to call the hon. Member for Warrington, North (Helen Jones) next, who will not be subject to that restriction, which will apply after she sits down. I remind the House that in the period of shorter speeches, no added time is allowed for interventions.

8.23 pm

Helen Jones (Warrington, North) (Lab): It is a great pleasure to follow the two hon. Members who have made their maiden speeches tonight. It is also a great pleasure to support this Bill, and in particular the clauses that deal with alcohol-related crime and antisocial behaviour, which I have raised previously in this House and which are matters of great concern to my constituents.

I want to address the civil liberties elements of the Bill, which have been discussed by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and a number of pressure groups. The hon. Member for Winchester (Mr. Oaten) also said that he wants to examine the civil liberties elements of the Bill. He is right to do so, because our civil liberties are vital and precious, but that includes victims' civil liberties, too. When I hear some pressure groups and think tanks discuss such issues, I wonder whether their members have ever visited some of our towns at weekends or whether they have ever seen what happens on some of our big estates.

The Bill protects the civil liberties of people such as the pensioner in my constituency whose life was made a misery by young thugs tanked up on alcohol and who has the right to enjoyment in his own home. It also protects the vast majority of young people who want to go out in the evening without being hassled or attacked by idiots who have had more drink than they can handle, so we must consider their civil liberties, too.

Like many other towns, Warrington has experienced serious problems in its town centre with people drinking to excess. I commend the police and the local council on the steps that they have taken to tackle that problem, such as high-profile policing and arranging better public transport at night.

The drinking banning orders and the alcohol disorder zones will be vital in the future, not least because the only way in which to convince licensees to abandon the drinks promotions and happy hours that fuel binge drinking is to make them pay for the resulting disorder, because I regret to say that persuasion has not had much effect, so far.

Many problems in my constituency are caused not by pubs and clubs, but by young people who obtain alcohol from off-licences. I am pleased to see that the Bill contains penalties for persistently selling alcohol to a minor. As I have said to the Home Secretary, however, we must examine the penalties for buying alcohol for a minor. I have had many discussions with the police and trading standards officers in my constituency, and, by and large, our problem is not retailers selling to minors, although that happens. The problem is people who go into off-licences to buy goods for young people, usually for a share of what they buy.

We must also tackle the promotion of alcoholic drinks that are deliberately aimed at young people, which is an issue that the Bill does not cover. The hon. Member for Meirionnydd Nant Conwy is a bit out of date, because the key issue is not alcopops, but strong ciders. It is clear that drinks with names such as Zeppelin and White Lightning are deliberately targeted at youngsters. Another such drink is called Frosty Jack—it is a strong cider, it is 8 per cent. proof and you can buy a 3 litre bottle for £1.99. It contains 22.5 units of alcohol, which is more than is recommended for average adult male in a week, and it is drunk by kids on the streets and in the playing fields of my constituency and other constituencies like it.

Although the suspension of licences and closure orders are welcome, they are not enough. We must act to tackle the marketing of alcohol to the young and those adults who are complicit in antisocial behaviour by buying supplies for young people.

I hope that Home Office Ministers will discuss with other Departments the increasing sale of smuggled alcohol, which is another issue not mentioned in the Bill. Trading standards officers have also told me that counterfeit products are sold on the estates, and such products are important because they lower the cost of getting drunk. People go round taking orders and delivering those goods, and we must convince the public that alcohol smuggling is not a victim-free crime and that it contributes to disorder on our streets.

Another issue that I should like to raise is that of resources. The Bill imposes extra duties on police and trading standards officers. While I hope that it will ultimately reduce the disorder that the police have to cope with, there is a great deal of work in it for trading standards officers, too, in dealing with the sale of alcohol, airguns and imitation firearms. Although I have a very high regard for trading standards officers in my area, they are woefully under-resourced. I hope that Home Office Ministers will discuss with the Office of the Deputy Prime Minister ways in which resources can be made available to ensure that the provisions in the Bill are implemented. Bringing in laws that cannot be implemented on the ground destroys people's faith in the system, and we need to ensure that that does not happen.

The Bill tackles the immediate problems of alcohol and binge drinking, but not their long-term causes. I hope that at some point we will have an opportunity to debate on the Floor of the House why so many people, particularly younger people, behave in this way. We hear a lot about the need for respect, but we should turn that question on its head and ask where we have gone wrong, as adults, in the society that we have created and for which we are ultimately responsible. If we allow our young people to be exposed to a culture in which they are told that they can instantly have everything that they want, we should not be surprised when some of them grow up to disregard the effect of their behaviour on other people. We must talk far more about how we invest in our young people, support their families, and give them worthwhile activities. The Government have already taken steps in that direction with programmes such as Sure Start and extended schools, but we need to do much more. We need the thorough review of the youth service that we have been promised for so long so that we can put in place not only worthwhile activities for young people but other activities that engage them in the community and allow them to interact with and contribute to it.

One of the worst things that we can do when we talk about such issues is to stigmatise all our young people because of the actions of a few. Having spoken about young people, I want to put on the record, as the mother of a teenager, that most of the young people I meet are decent, well meaning and well behaved. Sometimes they are noisy; if children are not noisy, they are ill. Sometimes they do not think of the effect of their behaviour on other people and have to be taught proper consideration for others. That is not criminality, but a normal part of growing up; we should not confuse the two.

I welcome the Bill. I hope that we will see it as part of a package by which we not only tackle the problems that we face but look at their longer-term causes. We must put in place a system whereby our young people have more on offer than binge drinking. They need to be able to contribute to society, and we need to see them not as a problem but as the future of our society—only in that way will we ultimately succeed.

Madam Deputy Speaker (Sylvia Heal): Order. I remind hon. Members that the time limit on Back-Bench speeches is now six minutes.

8.32 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I agree with a great deal of what the hon. Member for Warrington, North (Helen Jones) said. I add my congratulations to Members who have made their maiden speeches today—my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), with whom I share a profession in the criminal law, and the hon. Member for Stourbridge (Lynda Waltho), on behalf of whose constituents I have, sadly, often practised that profession.

I welcome a great deal of the Bill, particularly its focus on alcohol-related disorder, which, as many hon. Members said, is a problem in many parts of the country—not only in cities but in smaller towns such as those that I represent. Like many hon. Members, I have seen for myself the effects of such disorder. With the night shift of Rugby police, I have watched, with, I suppose, hope and despair in equal measure, the behaviour of young people who go out specifically with the intention of getting drunk and thereafter causing trouble—although of course I agree with the hon. Member for Warrington, North that such young people are merely a minority. I have also watched the compassion and unfailing politeness of highly professional police officers who then have to deal with those problems. Of course, there are wider costs, not only economic but social, which have also been discussed. In our town centres—I include Rugby—we begin to witness a cycle of despair whereby those who are out simply for a good time leave the town centres to those who cause trouble. That leaves a vacuum to be filled by yet more of those who are out to cause trouble. I hope that the Bill will begin to deal with that problem.

In that context, perhaps alcohol disorder zones are the Bill's most significant proposal. My only concern is that perhaps we view the matter too narrowly. Of course, it is correct that a great deal of alcohol-related disorder happens just outside the pubs and clubs but we all know that it spills into residential areas that are slightly further afield. We all receive many letters from constituents, as I did only this morning, who live in residential areas not too far away from the town centres and find that people who drink too much and cause trouble make their lives a misery in the middle of the night. We must therefore consider ways in which to deal with alcohol-related disorder not only in the alcohol disorder zones but outside them.

It is important to consider those who sell alcohol to children, not only the licensees of public houses and clubs but those who sell from off-licences. In my constituency, there is a serious problem in the town of Kenilworth with one particular licensee, who regularly sells to minors whom he knows, so test purchases do not work. Those minors, fuelled by the alcohol that he has sold them, go on to cause trouble in public areas and private streets. Perhaps Ministers would like to examine that problem more carefully.

[Jeremy Wright]

The Home Secretary batted away a point that I raised earlier but I hope that other Ministers will consider it. We must think about the resources that we provide to our police officers to fulfil the obligations that the Bill imposes on them. We must remember that police officers are overworked, overburdened with paperwork and do not have the time to deal with an arsenal of further obligations. I am all in favour of extra orders and extra measures that give the police and the courts the power to deal with those who cause alcohol-related disorder but there is no point in adding more and more orders and more and more measures to the arsenal of the police if they do not have the manpower, resources or time to make good use of them. I urge Ministers to consider that and I hope that the Bill can be further improved.

8.37 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Like most hon. Members, I support many if not all the Bill's provisions. There is some consensus among all the parties on the measure. I support the stronger new powers to deal with drunk and violent criminals and ensure that pubs and bars sell alcohol responsibly.

I want to concentrate on the provisions that specifically refer to airguns. As the Minister knows, I have taken a great personal interest in the matter since January 1999, when 10-year-old Adam Yoxall was blinded in one eye by an airgun pellet in Grimethorpe in my constituency. My first Adjournment debate on 23 June 1999 was on that subject. Since then, I have tabled several early-day motions on the matter. I fully endorse all the provisions on airguns and replica guns. However, I wonder if the Government will consider going a little further.

The Secretary of State said in his opening remarks that he had held discussions with many agencies, including the Gun Control Network. In the past few months, two boys lost their lives in airgun incidents, including Alex Cole from Conisbrough near Doncaster, which is close to my constituency. Many other victims of airgun attacks have been lucky to escape without serious injury. The Gun Control Network advocates a licensing system, which has exercised the minds of hon. Members of all parties. I share the interest in the licensing system, especially in light of the fact that the Scottish First Minister is considering introducing such a system. I hope that we can explore the matter further in Committee.

I realise that there are many pitfalls involved in introducing a licensing scheme for airguns. There are already between 4 million and 7 million airguns in circulation, and most do not have a unique serial number. Perhaps ensuring that they did have such a number would be a move in the right direction. We might also want to consider restricting the sale of airguns to authorised dealers, which would have the distinct advantage of reducing the number of outlets for such weapons. Members have already mentioned the problems relating to internet and mail order sales of air weapons. It is far too easy to buy weapons on the internet. I know that this is a difficult issue, but we must consider it very seriously in relation to restricting future sales.

I understand that, under the present powers of confiscation, the courts have the power to confiscate air weapons on the recommendation of the police. Might we, however, consider giving the power of confiscation to the police in their own right? We ought seriously to consider such a measure in Committee.

I should like to highlight two further points on airgun safety that I mentioned in my Adjournment debate in June 1999. They relate to the two Es: enforcement and education. I fully support the move to raise the minimum age for purchasing an airgun to 18, but an even greater impact on airgun safety would be achieved by having better enforcement by the police to cut down on the level of abuse and misuse of airguns. The practical problem related to better enforcement is that many incidents involve very young children. In many cases, the incidents are also first offences. We need to focus on the fact that the penalties imposed on those children are often very light, perhaps involving no more than a caution.

Better education is essential if parents and children are to realise that airguns are not toys but potentially lethal weapons, and that they need to be treated as such. Parents must ensure that airguns are kept securely, and never in a place that could be accessible to young children. This has been an excellent debate, and I hope that the Bill's Second Reading will be uncontested tonight.

8.42 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is clear from many of the contributions from both sides of the House that this is an important subject. That is certainly reflected in the feedback that we are getting from the public, whether on policing, binge drinking, the trafficking and use of drugs, or the sale and use of hand weapons.

It was interesting to hear how all the parties laid out their stalls during the election, making major promises to tackle the growth in violent crime. The public are certainly right to be concerned. Let us take my constituency as a yardstick. In 2000–01, there were 1,402 violent crimes recorded there. That figure has now doubled to 3,257, which is a worrying change in three years. This is now a major issue that affects more people in our communities, town centres and schools. After all the debates during the general election and all the promises that were made, there is disappointment that this flagship Bill to challenge the rise in violent crime has failed to meet expectations.

We should not dismiss the many good parts of the Bill. They were well covered by other hon. Members and I shall not allude to them further owing to time restrictions. However, the Bill fails to go to the heart of the problem. Why, for example, does a pupil feel the need to take a weapon into school in the first place? Why do young men—and, indeed, young women—drink as much as possible in the shortest possible time on Friday and Saturday nights? How can police resources be strengthened to cope with the challenges of the night-time economy?

The Government should look more at the causes of crime and less at the punishment. The Bill arguably focuses on the challenges created by a younger age group in society, namely violence in schools and binge

drinking. All those issues together reflect a cultural change in society that requires more than a sticking-plaster approach to solving the problem. We need an in-depth, concerted attack on what unites all these issues: a growing lack of respect for our community, our laws, our rules and our values, and for those who enforce them, whether they be police, teachers or even parents.

I want to focus on the part of the Bill that deals with binge drinking, which is a huge issue in Bournemouth, although it is clear from what we have heard today that it is a problem throughout the nation. Unfortunately, the limited power of councils prevents the growth of pubs and clubs, which encourages the drinking culture. Hogarth's picture "Gin Lane" is re-created on every town centre CCTV monitor on Friday and Saturday nights as lads and ladettes stagger and stumble on the pavements and roads, threatening the world around them as the alcohol blurs their judgment, turning a truck driver, a postman or a banker by day into an ill-tempered, aggressive, irrational and often tribal animal by night.

Local residents—certainly in Bournemouth—are deterred from visiting the town centre. Almost half the police on duty are deployed to an area measuring a quarter of a square mile where the pubs and clubs are located. Police concentrate on maintaining law and order in the heart of the town, and the rest is not given the coverage that it deserves.

The Bill covers many issues connected with binge drinking, but it will need considerable scrutiny in Committee. The imposition of a drink banning order on individuals would have limited effect, as most drinkers—certainly in Bournemouth—tend to be visitors or revellers. Following a banning order, they would simply move somewhere else. The same applies to spot bans on troublemakers. As for closing licensed premises, who would police it? Premises are not checked thoroughly enough as it is. The setting up of alcohol disorder zones would take 28 days, during which time the cause of concern might have moved. Moreover, it would label the area and other, well-run, restaurants and pubs might be caught in the zone and given a bad name. I shall not cite the two examples in the explanatory notes, but Members should look at them. We should be acting now, rather than waiting for another Bill.

The hon. Member for Winchester (Mr. Oaten) spoke of enabling councils to impose a levy on pubs and clubs. I think that, rather than an area being labelled, councils should have that power. The extra police required for big football matches are not paid for by the taxpayer but from ticket sales—in other words, by those attending the matches. The same principle should apply to pubs and clubs.

Despite being described as a flagship Bill intended to make our communities safer, the Bill fails to deal with important election issues. There is no mention of simplifying police paperwork, strengthening the role of special constables or giving councillors powers to limit the number of clubs in an area—or, indeed, giving them a say in how the community grows. The Bill does not challenge the drinks industry's approach to drinks promotion. It does not suggest giving the specials a salary, which would be a commendable way of increasing the number of people who join the specials rather than becoming community support officers.

It is easy to see what the Bill will do, but it will not challenge or reduce the amount of violent crime, and it will not deal with the very British problem of binge drinking.

8.48 pm

Mr. Kevan Jones (North Durham) (Lab): 'I congratulate my hon. Friend the Member for Stourbridge (Lynda Waltho) and the hon. Member for Enfield, Southgate (Mr. Burrowes) on their maiden speeches. Let me also say how pleased I was to note that the soft-on-crime, criminal-friendly wing of the Liberal Democrats has a champion in the hon. Member for Hornsey and Wood Green (Lynne Featherstone).

I welcome the Bill. I shall concentrate on two aspects. I particularly applaud clause 27, which makes it an offence to fire an air pellet beyond the boundaries of a property. That is also welcomed by my constituent Ms Rachel Fernie of Chester Moor, who contacted me recently about a group of youths who were using her land to fire rifles and, in one particularly nasty incident, seriously injured her neighbour's cat. Such irresponsible behaviour, often leading to the injury and even death of pets and wildlife, must be stamped out.

In addition, I welcome the provision to increase the age at which someone may acquire or possess an air weapon without supervision from 17 to 18. I congratulate the *Evening Chronicle* in Newcastle on its campaign to restrict the use of air weapons following the tragic case of 16-year-old Nicola Diston, who lost sight in one eye after being hit by an airgun pellet. The newspaper presented a petition signed by some 21,000 readers to my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) when he was Home Secretary. Those readers will be pleased with the Bill. It would be remiss of me not to pay tribute to the former Member for Gateshead, East and Washington, West, Joyce Quin, who did a tremendous amount of work in raising the issue in the House.

I turn to the part of the Bill that deals with the reprogramming of mobile phones. Right hon. and hon. Members may be aware that, in the previous Parliament, I was drawn sixth in the private Member's ballot, a feat that I managed two years running—it is either a bonus or a burden, depending on one's point of view. I introduced a Bill to amend the Mobile Telephones (Re-programming) Act 2002. Unfortunately, due to the general election, it ran out of parliamentary time. I am pleased that its provisions are incorporated in this Bill. I am sure that it will receive cross-party support. Early-day motion 601, which I tabled in the previous Parliament, received support from over 100 Members on both sides of the House.

Tackling mobile phone theft is key to reducing street crime. Mobile phones are taken in half of all robberies. In 30 per cent. of robberies, they are the only item stolen. Victims are targeted for their mobile phones, which are then sold or used in a lot of illegal drugs sales.

Mobile phone theft is a particular problem for the young. More than half of phone robbery victims are under 18 and more than half the offenders are aged between 15 and 17. Such crimes can have tragic results, as was demonstrated in June 2004 with the killing of Kieran Rodney-Davis in Fulham.

The Bill will reduce the ability to sell on mobile phones. I congratulate the industry on setting up the database in 2002 that allows phones that are reported as

[Mr. Kevan Jones]

lost or stolen to be blocked across the United Kingdom, so that the network can no longer be used, and on its national campaign to tell the public that stolen mobiles can be made useless by reporting the theft to the network provider.

The Bill will close a loophole in the 2002 Act. In effect, it will make it an offence to offer or to agree to reprogramme a mobile phone or to have a mobile phone reprogrammed. Introducing that offence brings the legislation into line with drug dealing legislation, under which it is an offence to offer to supply a controlled drug. It will enable the police to clamp down on reprogrammers and disrupt what is a lucrative market.

In short, I believe that those measures will lead to more people being brought before the courts for the offence of reprogramming. They are not controversial but they will make a real difference to street crime. Added to the tough measures in the Bill, we can be proud that we have a Government who will ensure that the criminals are not the ones who benefit and that victims have a voice at last.

8.54 pm

Mr. Christopher Fraser (South-West Norfolk) (Con): I congratulate my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), who made a fine maiden speech, and the hon. Member for Stourbridge (Lynda Waltho) on her maiden speech.

Much in the Bill deserves to be looked at carefully, whether one represents an urban constituency or, as I do, a rural one. We all desire a crackdown on gun culture, binge drinking and the rising tide of violent crime, but we cannot forget the context of the Bill, which is the Government's failure to deal with violent crime, gun culture in our towns and cities, knife crime, drugs, the importation of illegal weapons and the mayhem caused by binge drinking.

On violent crime, the simple fact is that people in my part of Norfolk are just like others across the country: they will need a lot of convincing that the measures in the Bill will make a difference. We must not forget that 1.1 million violent crimes were committed last year across England and Wales and that recorded crime has risen by more than 800,000 from 1998–99. Recent crime figures show increases in violent crime in Norfolk above the national average, which should be of concern to the Home Secretary, who is also a Norfolk Member. Violent crime in my area has risen by 14 per cent. in the last year. My constituents and all law-abiding people desire to feel safe and secure in their homes, communities and streets.

The fact that mine is a rural constituency means that it has its particular problems. We all remember the case of Tony Martin, who lives in west Norfolk, and who shot a burglar entering his property. Members will recall that that case revealed the fear and anxiety of the rural population in areas where the police presence is too thinly spread. My constituents do not want headline-grabbing initiatives from the Home Office and they can only hope that the Bill will have an impact that previous Home Office policies have not had. For example, I should like to ask the Minister, while she is guffawing on the Front Bench, how many child curfew schemes have been established since 1998? What proportion of fixed penalty notices for disorder have been paid within the required period? What proportion of antisocial behaviour orders have been breached?

The success of the Bill is not dependent on whether it makes headlines but on whether it tackles violent crime at its source, by which I mean particularly guns and binge drinking.

Like all Members of Parliament, I believe that there should be a crackdown on gun crime but the Government's record is poor. Firearms offences in England and Wales have risen every year since 1997 and, by 2002–03, there were over 24,000 such offences, more than double the number in 1997. A gun crime is committed every hour and it is no surprise that successive Home Secretaries have convened umpteen summits on the issue. We want action, not talk. Guns, drugs and violent crime are intimately linked. If we make an impact on one, we must make an impact on them all.

I wish to put on record my concerns about shooting associations. I am sure that I am not alone in saying that I have received many letters and comments from constituents about this part of the Bill. In dealing with the real problem of gun crime, we must not end up penalising the law-abiding majority of people who go about their business of legal shooting. Lawful shooting is an essential part of many areas of rural life and the rural economy and I want to be sure that the Bill, while its motives are well intentioned, will not prejudice the interests of constituents in that respect.

Finally, I turn to binge drinking, which is a serious problem. The British crime survey showed that the number of people worried about people being drunk or rowdy in public areas is up by 10 per cent. on last year, despite the Government's various crackdowns on alcohol-related violence. Half of all violent attacks are alcohol-related and the cost to the taxpayer of alcohol-fuelled crime is £12 billion a year.

This Bill has a lot of initiatives but I have grave concerns about the Government's new licensing regime, which threatens a reckless surge in late licensing and, in turn, alcohol-fuelled violence and yobbish behaviour. The Bill has made headlines, but it remains to be seen whether it will work in the face of the Government's rushed 24-hour drinking initiatives. If this Bill is to have any impact, it must be true to its title and reduce crime on the ground. My constituents need that, as do others, and they deserve it after eight years of the Government not addressing the problems.

8.59 pm

Mr. David Kidney (Stafford) (Lab): I want to focus on alcohol and on some of the work being done in Stafford. The backdrop is Staffordshire police reporting an 8 per cent. fall in crime overall this year, which is the latest in a series of consecutive falls. House burglaries are down by 24 per cent., vehicle crime by 18 per cent. and robbery by 27 per cent., but violent crime is up by 4 per cent.

It is also important to see the Bill in context. We now have an alcohol harm reduction strategy and the Licensing Act 2003 is about to come into force. It gives more powers to the police and more rights to local communities, and public safety is at the heart of its four licensing objectives. We in Stafford have already made

use of previous Labour legislation in this regard. An order designates the town centre as an area in which people may not drink alcohol in public and a further order provides for the dispersal from the town centre of those engaged in disorderly conduct.

The police and the council have already taken a professional approach to managing so-called binge drinking in Stafford town centre, and they are not alone. Our licensees, led by Chris Lewis of the Swan hotel, have come together in a very strong pubwatch. Licensees in Stafford are given radios that provide a direct link to the police, community support officers and the closed circuit television control centre, so that when one is alerted, everybody is alerted. We are already using effectively everything at our disposal and, when drinking banning orders come into force, they will be a useful complement to existing practice in Stafford. The overriding aim of our pubwatch group is, "Banned from one, banned from all." Once it is possible to obtain court orders, they will reinforce the voluntary scheme and tie in those licensees who are not already participating.

On the introduction of alcohol disorder zones, I can tell the House that the concept of the police asking for contributions from licensees to the cost of policing is not new in Stafford. Licensees at Zanzibars, the Litten Tree and what used to be called Props have all made voluntary contributions already. The police in Stafford sign and publish service level agreements so that there is no suggestion of any impropriety in their using their influence to sign people up to that arrangement. Perhaps we will not need an alcohol disorder zone in Stafford because such a policy has already been adopted voluntarily. That will not be so in some areas, in which such zones will therefore be necessary. In others, the very existence of that power will persuade people to behave reasonably.

The situation in Stafford was born of a working partnership involving the police, the councils, CCTV and the licensees themselves. We should also remember trading standards, to which reference has been made and which have played an important role in dealing with the selling of alcohol to under-age people. Such partnerships also involve transport groups, such as minibus and taxi drivers, and night-time economy workers such as the security staff at pubs and clubs.

Looking beyond the Bill, it is true that we need to support parents in the tough job that they face these days in bringing up youngsters. We need effective and timely treatments for alcohol and drug abuse, and better education and information. We need to build on the work that the Portman Group and alcohol groups throughout the country—such as ADSIS, the Alcohol and Drugs Service in Staffordshire—already do.

Much is already being done. I agree that some of the cultures developing in this country are undesirable, but I want to join those who have sought to provide a counterbalancing view of our young people and our hope for the future. Just yesterday, I spent several hours with 600 Air Training Corps cadets on a field day in Stafford. Those young people, aged between 13 and 21, showed great ambition and talent and a responsible attitude to life. Just last week here in Parliament, I chaired a debate involving 60 year 8 pupils upstairs in Committee Room 10. Some great talent for the future was on display, and all 60 behaved very responsibly. The previous week, I worked alongside six volunteers who are developing an allotment for use by disabled adults in wheelchairs. We have an important choice to make about the cultures that we want to develop in this country. It is up to ourselves, the politicians, the media, the celebrities who have so much influence, and our community leaders to back the right horse.

9.5 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Thank you, Madam Deputy Speaker, for calling me to participate in this important debate. First, I want to put on record my congratulations to the hon. Member for Stourbridge (Lynda Waltho) and to my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) on their excellent maiden speeches, which were well delivered and enjoyable to listen to.

While broadly welcoming the Bill as a whole, I am worried that there is an over-reliance on control measures, which do little to tackle the deep-seated cultural challenge of alcohol abuse among young people. As a nation, we work hard and play hard and, as a result, our night-time economy is booming. We have heard much in this afternoon's debate about the vast profits being made by some bars and clubs, but let us not forget the number of jobs created by those establishments, or that this is a legitimate business sector. The question was raised earlier how anyone could possibly enjoy themselves at these pubs and clubs, but with all due respect to the hon. Member for Northampton, North (Ms Keeble), that is not a relevant question for the House. The fact remains that in almost every town centre on any Friday or Saturday night throughout the year, crowds of loud excited young people can be seen having a good time enjoying each other's company.

The dark side, however, that merges so seamlessly with the positive side is the nuisance caused to residents by noise; the violence that sees young men being kicked unconscious in street fights; abusive men who go home drunk and punch their wives or girlfriends; and injuries sustained by drunk people through pranks and accidents. It includes vandalism and criminal damage; shop windows broken; urine and vomit in doorways; and the fear and intimidation that so easily engulfs a town centre when, to use the popular phrase, trouble kicks off.

Unfortunately, the Government's response has been to pursue a long list of tough-sounding, headline-grabbing proposals intended to show that something is being done. That is why, as well as CCTV, we have ASBOs, a proposal to march drunken yobs to cashpoints, fixed penalty notices, drink banning orders, dispersal orders, alcohol disorder zones and—the latest, according to one of the broadsheets yesterday—the idea of deploying the Army on the streets this summer. It is all about control, control, control—and I do not believe that it will work. We will not tackle the binge drink culture in this country by imposing martial law on our town centres at night.

Before throwing more legislation on the statute book, should we not instead be looking into renewed enforcement of existing laws? During the numerous nights that I have spent out with my local police force, not one police officer has told me that there were not enough sanctions available to enable them to tackle alcohol-related disorder.

[Mr. Stephen Crabb]

Without revisiting the arguments of the general election, I believe that we need an increase in police numbers and a renewed vigour in using legislation that is already in place.

For example, local police officers told me directly that they simply do not have the manpower to start arresting everyone who is drunk and disorderly at the weekend. The time and labour required to process any such arrests would divert vital resources away from what they regard as the hotspots at the worst possible time in the evening. That may be one of the principal reasons behind the long-term fall in convictions for drunk and disorderly behaviour across the country. As one officer told me during a recent night shift spent monitoring Haverfordwest town centre at pub closing time, the best that current resources allow is for the police to keep the lid on the problem of binge drink disorder. Until we get to grips with the serious cultural issues that lie behind that behaviour, we will just carry on as a society throwing ever larger sums of money at enforcement and control just to keep a lid on it.

The problem in this country stems from the fact that we have a culture where alcohol abuse is tolerated. In fact, in so many areas of popular culture, drinking—even drunkenness—is celebrated and joked about. That is one of the reasons why we are losing the war on alcohol abuse among young people. The fact is—so many studies have confirmed it—that youngsters are being exposed to alcohol at an ever younger age and are drinking more in terms of units and more frequently.

According to Alcohol Concern, by the age of 13, young people who drink alcohol already outnumber those who do not. That comes as no surprise in view of the findings of Professor Paul Willner of the university of Wales, Swansea. His research showed that 16-year-old boys and girls as young as 13 now have little difficulty in buying alcohol from a variety of vendors. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) was right to raise the issue of the sale of alcohol to minors. I await an answer to my written question on conviction rates for off-licences and stores that sell alcohol to young people.

The World Health Organisation's European charter on alcohol, to which the UK is a signatory, states:

> "All children and adolescents have the right to grow up in an environment protected from the negative consequences of alcohol consumption and, to the extent possible, from the promotion of alcoholic beverages."

I should welcome the Minister's thoughts on how well she believes the Government are discharging their responsibilities under that charter.

I hope that I shall be proved wrong, but part 1 seems to provide nothing more than a sticking plaster over our deep-seated problems of youth alcohol abuse. We await further details and further delivery of the Government's alcohol harm reduction strategy, and I look forward to more proposals in the coming months to add to the Bill's provisions.

9.10 pm

Ms Dawn Butler (Brent, South) (Lab): I am grateful for the opportunity to contribute to the Second Reading of this important Bill.

The Opposition asked whether the Bill was necessary. Yes, it is necessary. It builds on some of the toughest legislation in the world, yet only yesterday my constituency suffered another shooting incident; one person died and two people are in hospital under police supervision: so I say again, yes, the Bill is necessary.

Many measures are needed to deal with our growing gun crime culture. Although preventive measures are not outlined in the Bill, I am sure that my Government will address those issues soon. The Bill offers us a good start, however, by curbing the supply of guns on our streets immediately. I thank my Government for introducing the Bill and for responding effectively to deal with the increase in violent crime and antisocial behaviour that we face.

When victims are confronted by a violent person holding a gun, the last thing on their mind is whether the gun is real. They are wondering whether they will survive the incident or whether they or a loved one will die. They are thinking of the anguish ahead, not whether the gun is real. A ban on imitation weapons is imperative; it should be strong and enforceable.

The Opposition have said that we are trying to grab headlines. Which headlines? That we are tough on crime? I welcome such headlines. The Opposition have referred to other headlines that described the Government as over-zealous and said that we were trying to ban children's toys. That is ridiculous. No reasonable person could mistake a bright blue and yellow water pistol for a gun. That is not what the Bill is about.

Since 2003, there has been a 66 per cent. increase in offences using imitation firearms. The Bill tackles the manufacture, importing and sale of realistic firearms, which is an important and necessary. However, I should have liked to see higher rates of punishment for such offences. A sentence of 12 months is not a strong enough message.

I have some concerns about funding. Other Members, too, have expressed concern about how the measure is to be funded so that it can be enforced.

There is also concern about age limits. There should be a universal age limit of 18 for all knives and guns. Anyone who legitimately needs to register at 17—I cannot imagine who would want to—could be considered under the exception provisions, as they are for firearms registration. Knife crime has become more prevalent and it is harder to legislate against because people need knives in many professions; for example, carpet fitters, double glazers and chefs. However, the Bill considers carefully all aspects of knife use in our society.

Under the Licensing Act 2003, Brent closed three establishments last year. X-ray machines were used to vet 200 patrons, 100 of whom were detained for possession of firearms, knives and class A drugs. At least two of those people were suspected of being drug dealers, and Brent is investigating with a view to seizing their assets—asset seizure is mentioned briefly in the Bill. The council has complained that the asset seizure procedure is slow, which is a shame because the quicker we seize the assets of criminals such as drug and gun dealers, the quicker we can reimburse that money to society for community projects. If we can show that criminals can be stripped of their assets, it might prevent others from following suit.

The forfeiture clause in the central crime element of the Bill will ensure that any vehicle can be seized if suspected of being used for shipping human beings—women and men—to go into the sex industry. That is a very important part of the Bill because it will help the police by taking that vehicle—whether a van, a ship or a plane—out of circulation.

I shall quickly mention mobile phones. Some 73 per cent. of adults use mobile phones, compared with 33 per cent. in 1999. That is a huge increase in mobile phone use, which is why there has been an increase in theft. As my hon. Friend the Member for North Durham (Mr. Jones) rightly said, we hope that the Bill will reduce mobile phone theft, by ensuring that the reprogramming of mobile phones becomes an offence.

The Bill has been introduced because it is needed for intelligence gathering, and all parties will agree that that represents good governance. Yes, good governance in itself will not solve the growing problem of violent crime and antisocial behaviour—good housing, good jobs and good policing will help—but it is needed, and we also need to look at our communities and ensure that they show an interest. Last week was neighbourhood watch week. I welcome the fact that Brent has the highest number of people involved in neighbourhood watch schemes. I opened a scheme last Saturday at Asda, and we need to promote further schemes such as that to ensure people are involved in making sure that our communities are safe.

9.16 pm

Mr. David Jones (Clwyd, West) (Con): It is clear from the contributions from hon. Members on both sides of the House that violent disorder is a concern for hon. Members from all parts of the country. Certainly, violence on the streets of the towns in my constituency is regularly raised. In the time available to me, however, I should like to concentrate on two aspects of the Bill.

First, under clause 34, the age limit for the purchase of knives will be raised from 16 to 18. I represent a semi-rural constituency in a relatively tranquil part of north Wales—at least, it was tranquil until quite recently. During the past 12 months or so, we have experienced something of an explosion in knife crime. Sadly, there have been three fatal stabbings in my constituency during that period. One of them involved a young man called Ben Jones, a student with everything to look forward to, who was making his way to the local skate park. He was stabbed, quite gratuitously, by an older man, not by a young man, and to that extent, I echo the remarks of the hon. Member for Warrington, North (Helen Jones). It is not always the youths who are responsible for crimes of violence.

Simply to raise the age limit for the purchase of knives from 16 to 18 will add nothing to the legislation that is currently in place. Even the most moronic apprentice thug would realise that his mother's cutlery drawer in her kitchen contains an arsenal of knives that could be used for the purpose of inflicting serious injury on other people, and to that extent, I echo the remarks of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd). What we need is far more proactive policing, possibly by more officers, and, quite frankly, no compunction at all about stopping and searching people whom those officers suspect may be carrying knives.

The other aspect that I should like to focus on is clause 35, which contains the powers for head teachers to search pupils for concealed weapons. Many hon. Members may be astonished that such powers do not already exist. Certainly, they are long overdue. In my constituency, I was recently informed by a head teacher that one of his pupils assaulted another with a blunt instrument, putting that pupil into casualty with a fractured skull. Subsequently, the head teacher immediately expelled the boy in question. The boy's parents appealed to the local education authority, which reinstated him, thus undermining the head teacher's authority irreparably and, of course, causing extreme concern to the parents of the boy who was so badly assaulted. The measure is certainly called for, so I compliment the Government to that extent, but it should be backed up with a power to allow head teachers immediately to exclude pupils who are found carrying dangerous weapons. Such pupils should have no right of appeal to the LEA, because the matter should be entirely at the discretion of the head teacher.

I am worried that the Bill is modest in its execution, although lofty in its ambition. Although several of its measures might do something to quell the rising tide of violence on our streets in the evenings, overall it is really only tinkering with existing legislation. It would be far more appropriate to put more police officers on the streets, properly equipped to enforce the laws that we have now. To that extent, I am pessimistic that the Bill will achieve the objectives that it tries to secure.

9.21 pm

Stephen Hesford (Wirral, West) (Lab): I have only six minutes in which to speak, so I shall curtail what I was going to say. I welcome this important Bill, for which I pay tribute to my right hon. Friend the Home Secretary. I also pay tribute to my right hon. Friend the Minister for Policing, Security and Community Safety, who recently visited my constituency and saw at first hand some of the good work that we are doing locally.

I wondered whether several Opposition Members were being somewhat disingenuous, because I did not recognise some of their comments as being in keeping with what community support officers and my local area commander are able to do when policing alcohol-related incidents and disorder in my community. However, we can of course always do more, which is what the Bill is designed to do.

As several hon. Members have said, the Bill is an attempt to build on the culture of respect that the Prime Minister described and to reintroduce that into our communities. I urge my right hon. Friend the Minister not to listen to the siren voices that seem to criticise the Government on the grounds that they are introducing yet another Bill, because I do not see it in that light at all. I reject the so-called Lord Woolf view that we are simply stacking up legislation; I think it somewhat disingenuous. The Bill will deal with the issue rather than just exploiting it, which is what my constituents want to happen.

I do not know how many other hon. Members wish to speak, so I shall concentrate on only one element of the Bill. Hon. Members who served in the last Parliament will have read the early-day motion that I tabled on the use and possession of ball-bearing guns, which received the support of more than 150 Members. I tabled it

[Stephen Hesford]

because of the case of my then constituent, David Hazel. He was simply talking to his wife outside the front door of his house on one of our estates when a car pulled up which was completely unknown to Mr. Hazel and his family. The incident was probably a case of mistaken identity, but after a short exchange of words about nothing in particular, the driver got out of the car and shot Mr. Hazel in the back with a BB gun.

I have written to the Home Office about banning the sale of BB guns, which was the subject of my early-day motion. It touches on two aspects of the Bill. BB guns can be frighteningly realistic and they are certainly cheap, yet they can be lethal. Unfortunately for Mr. Hazel—a healthy young man in his prime with a young family—the ball-bearing that was fired out of the gun entered his spine and crippled him. That was a senseless act and he was blameless. The type of gun used in the offence is freely available. From my reading of the Bill, it seems that those guns will be as easy to obtain after its enactment as they are now. Perhaps we can debate that in Committee.

I agree with the comments on air weapons. I ask the Minister to consider adding to clauses 26 and 27 and stiffening up their provisions. Other hon. Members mentioned licensing. My right hon. Friend the Home Secretary talked about the difficulties that it might bring. I ask the Minister to reconsider this aspect of the Bill. I believe that that is important, as do the family and friends of my former constituent, David Hazel.

9.26 pm

Mr. Iain Wright (Hartlepool) (Lab): I pay tribute to the excellent maiden speeches by the hon. Member for Enfield, Southgate (Mr. Burrowes) and my hon. Friend the Member for Stourbridge (Lynda Waltho).

I want to concentrate on measures to tackle alcohol-related violence and disorder. Thankfully, Hartlepool experiences little crime in relation to firearms, imitation firearms and knives. However, regretfully, the town knows all too well the problems associated with crime fuelled by drink.

The Bill could have been drafted specifically to deal with the problems facing Hartlepool. Overall crime is down markedly—by something like a quarter in the past 12 months. Of the 17 wards in my constituency, more than half have crime figures below the national average. Hartlepool district is considered the most improving basic command unit in the country by the police standards unit and Her Majesty's inspectorate. That has been achieved by a passionate embracing of partnership working by multiple agencies. Yet I have to acknowledge that town centre violence in Hartlepool is still far too high. Of its 17 wards, the two that make up our town centre suffer from a crime rate that is more than twice the national average. Those two wards account for nearly 40 per cent. of all offences of violence against the person. Up to 70 per cent. of that violence is alcohol-related.

The message that the statistics provide is clear: overall crime is falling in Hartlepool directly as a result of the Government's legislation. The persistent problem, however, is violence and disorder arising from alcohol use in the town centre. Deal with that problem in legislation and the benefits will be huge. I sincerely believe that the Bill will play a decisive role in tackling the problems that my constituency faces. The introduction of alcohol disorder zones, where licensed premises will be required to contribute to the costs of dealing with alcohol-related disorder, are massively welcomed by me and my constituents. I will continue to push for all licensed premises to act responsibly and to avoid the need for compulsion, although I accept that that might be necessary.

Environmental legislation and regulations are based on the "polluter pays" principle, whereby the organisation or individual responsible for inflicting damage on the environment bears the financial costs of clean-up. It is entirely right and proper that the principle should be extended and that the premises seen to be responsible for fuelling the drink-crazed mayhem in our town centres should be financially liable for the costs of policing the area. Time and time again officers in my area tell me that police resources on Friday and Saturday nights are focused almost exclusively on the town centre at the expense of estates and local neighbourhoods, where antisocial behaviour invariably occurs. Requiring premises to pay for policing will allow town centres to be safer while ensuring that other areas receive appropriate police attention and coverage.

I am anxious and impatient to see the Bill on the statute book so that its measures directly benefit my constituents. I hope to do all I can to ensure that it is implemented quickly. I fully support the Bill.

9.29 pm

Mr. Humfrey Malins (Woking) (Con): I begin, as always in these debates, by declaring an interest. I am a solicitor by background and I sit from time to time as a Crown court recorder and district judge.

This has been a constructive and positive debate, with a great number of good speeches from hon. Members on both sides of the House. I thank those who have made their maiden speech today. The hon. Member for Stourbridge (Lynda Waltho) made an excellent maiden speech and we were pleased to hear all that she had to say. My hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), in another excellent maiden speech, made a proper and gracious tribute to his predecessor. Like the hon. Lady, he demonstrated his affection for and familiarity with his constituency, its people and its concerns. He spoke about several issues relating to drugs and rightly pointed out the importance of family support in that connection. We look forward with great interest to his and the hon. Lady's future contributions.

There have been positive speeches from both sides of the Chamber. I thank in particular my hon. Friends the Members for Clwyd, West (Mr. Jones), for South-West Hertfordshire (Mr. Gauke), for South-West Norfolk (Mr. Fraser), for Rugby and Kenilworth (Jeremy Wright), for Preseli Pembrokeshire (Mr. Crabb), for Bournemouth, East (Mr. Ellwood), for Hertsmere (Mr. Clappison) and for Croydon, South (Richard Ottaway) for their valuable and thoughtful contribution to our debate.

Earlier today, my right hon. Friend the Member for Haltemprice and Howden (David Davis) rightly highlighted the enormous problem, evident to us all, of rising violent crime and crime associated with drink and

drugs, which type of crime is almost out of control in many urban areas. The Bill, which has a rather grand title, is designed to address some of those problems. We do not oppose the Bill—indeed, we support parts of it. It is well intentioned, but it is typical of the Government in this respect: its title is impressive and grabs a headline, but its contents are unlikely to achieve the stated purpose of reducing violent crime. We have lost count of the number of initiatives that Labour has launched in the criminal justice field. Acts of Parliament run into dozens, all of which suggest that we have a Government who are giving the impression of being concerned and of taking action when, in truth, they are barely scratching the surface of the real problems that we face.

Let me give one striking example of a Government initiative that was a shambles and that, I am sure, the Minister would prefer to forget. A few years ago, when there were delays in the court system, Downing street decided that rapid justice was the answer to every problem and set up a system of night-time courts. Defendants arrested in the evening would be dealt with immediately by district judges, who were obliged to sit at Bow street all night with their staff and with jailers present at considerable cost. Those who knew anything about the criminal justice system thought that the idea was ludicrous and said so—but no, the Government and their advisers knew best.

What happened? The Minister knows full well. Predictably, most of the defendants turned up drunk and were not fit enough to enter a plea, and their case had to be adjourned for days. Others said that they wanted an adjournment for legal representation. Others still would not enter a plea until they had received, as was their right, advance information about the case against them. The number of cases actually disposed of was minuscule and each one was dealt with at huge expense to the taxpayer. Hastily, but quietly, that much trumpeted new initiative was abandoned. One more initiative by Labour in the criminal justice field, one more failure.

Let us consider the Bill with the grand title and see what it does. In large part, it addresses problems that are covered by existing law, leaving many of us to suspect that much of it is unnecessary. Part 1 introduces the drinking banning order, which imposes a prohibition on a person to protect others from criminal or disorderly conduct by him when he is under the influence of drink. We have acknowledged that binge drinking among young men and women has rocketed in recent years, leading to an extremely alarming situation. My hon. Friend the Member for Croydon, South referred to the problem: Crime connected to drinking has also rocketed.

Do we have enough laws to deal with the problem? Offences already on the statute book include drunkenness on a highway, the offence of being drunk and disorderly and offences under the Public Order Act 1986 relating to the use of offensive words, behaviour and conduct. The existing law gives the police many options on alcohol-related violence, and they can charge someone with common assault, actual bodily harm or, in serious cases, grievous bodily harm, riot and affray—the list goes on and on. Moreover, the Anti-social Behaviour Act 2003 makes provision for dispersal orders, which give the police specialised local powers to remove people from an area and ban them if they are engaged in alcohol-related antisocial behaviour.

Have the existing powers to ban drinking in designated public areas been forgotten? Courts can impose any conditions in an antisocial behaviour order that are necessary to prevent the conduct that the Bill aims to tackle. In my experience, they impose a great number of wide restrictions and conditions. We are therefore simply adding to the large and complex range of offences and possible orders at our disposal. I only hope that the new measure will not cause even more confusion among the police and courts. Is anyone else troubled by the part of the Bill that calls for the greater involvement of local authorities, and thus more bureaucracy, in introducing drink-banning orders? At best, that will be slow and cumbersome and, at worst, could result in more Government interference.

What is the answer to the undoubted problem that those provisions seek to address? We could and should put the police where they belong—on the streets in areas where the problems occur—in much greater numbers. We should ask them to stamp out those problems very harshly indeed, and not stay behind their desks completing the paperwork that the Government have made them deal with. In my experience, CCTV is everywhere—it can even be found on the walls of the Chamber. In the courts, however, if someone asks whether CCTV was in operation on a particular night, they will be told that it was not working properly. Even when it does work, the quality is so bad that the viewer cannot see who is committing the offence. We should therefore improve the quality of CCTV.

Police should use the existing laws that give them many options to deal with such crime and enforce them with vigour. We should encourage the courts to punish hard where punishment is deserved, and that should be linked to the prosecution of far more pubs and clubs that sell to under-18s or drunks. That wicked practice is on the increase, but the number of prosecutions of immoral pubs and clubs is pathetically low. There should also be a linked increase in prosecution of retail outlets that sell alcohol to under-18s, which is already an offence, although one would not think so from the Bill. We need much greater education about alcohol, and we should think again about 24-hour drinking. If we do so, we may begin to turn the tide.

Anyone who spends time in the criminal courts as an observer or in any other capacity will know that the number of crimes involving the use of a knife is increasing. More and more young people are carrying knives in a public place. I have recently tabled a parliamentary question about the number of pupils who carry knives, to which I received the reply that a survey last year showed that 1 per cent. of children aged 11 to 16 in England and Wales

"had at some time in the last year carried a knife in school for offensive reasons, and 2 per cent. for 'defensive' reasons."

That means that thousands of our children are taking knives into school, and it is a horrible statistic. How do the Government approach it? In two ways. First, they raise the age at which knives can legally be purchased, to which we cannot object, but I am not sure it will be effective. Next, they introduce powers for teachers to search pupils in school for knives—not unwelcome in itself, but fraught with potential difficulties.

[Mr. Humfrey Malins]

Does not the House realise that there is existing law to cover a knife on school premises? Section 139B of the Criminal Justice Act 1988 makes it an offence to have a knife or any other weapon on school premises, and a constable already has power to enter a school premises to search any person for any such article and to arrest them. An interesting question for the Minister—I wonder whether she will be able to answer it tonight—is this: how many times in the past couple of years have constables, acting on information received from a school, entered the school premises, searched a pupil and brought a prosecution against that pupil which has resulted in a conviction and a meaningful punishment under section 139B of the Criminal Justice Act 1988? If thousands of children are taking knives into school, as the evidence suggests, but only a few have been charged under that section, what does that say about existing law enforcement? If, on the other hand, they have all been charged and convicted, how does that point to the need to introduce yet more law?

Finally, a word or two on the issues surrounding airguns and imitation firearms. Yes, we welcome clause 27. It is important that we have the offence of firing an air weapon beyond premises. It could have been introduced in an earlier statute but was not. In the context of imitation firearms, the point about the overselling of legislation, which was well illustrated by my hon. Friend the Member for Hertsmere, can be made. Referring to the use of realistic imitation firearms to threaten others, the Government state in the notes to the Bill:

"There is a range of existing offences and controls in relation to firearms but they have not proved sufficient to halt this trend".

Of course they have not. Legislation on its own does nothing. It is a matter of proper enforcement of existing legislation.

The use of firearms and imitation firearms in pursuance of crime is increasing and it is a very disturbing trend indeed, but the Minister should remember that there are already a dozen existing statutes that allow the police to deal with those who commit offences with both real and imitation firearms. We need point only to the Anti-social Behaviour Act 2003, which has been law for over a year and is intended to deal precisely with the problems of possession of imitation firearms in a public place. Why not give it time, to see how it works out?

Let there be no confusion. Using an imitation firearm in the course of crime is treated very harshly by the courts, and rightly so. It is a subject for another day, but the right hon. Member for Southampton, Itchen (Mr. Denham) put his finger on some interesting points about replica guns and the difficulties involved. We must discuss the matter again in the House.

The Government should address the problem of why the number of prosecutions against offenders with imitation firearms is so woefully low, compared with the number of such crimes that have been reported. I fear that those responsible people who carry out lawful activities—those who collect and deal in replica weapons as their hobby, those youngsters who play innocently with their BB gun, their cap guns and their cowboy guns, those many thousands who enjoy the sport of airsoft—may be punished under the Bill. Damaging them and their lawful activities will not alter the mindset of one single criminal. Who suffers most as a result of crime? Not us in the Chamber, not those who earn well and live in decent areas. Rather, it is the poor and the vulnerable, who are condemned to live in poor quality estates in our urban areas wracked with crime, who are the victims.

If the Government really want to cut crime, they should not simply listen to their advisers and pass more laws. They should listen to those at the sharp end of crime whose advice is simple: put more police on the streets; introduce a genuine zero-tolerance policy on all crime, including low-level crime; free the police from bureaucracy; maintain discipline at school; improve our appalling detection rates, which get worse by the year; and punish heavily those tens of thousands who regularly skip bail and who laugh at the court system and reduce it to chaos. None of that advice involves more legislation; it is all about proper law enforcement.

Let politicians listen to the decent, law-abiding people who live in lawless communities that are fractured by crime. Those people look to us to restore harmony and peace to their lives, which have got worse and worse in the past seven years. They do not look to us for more legislation, more headlines and more initiatives. They want practical action and real enforcement. In short, they need our help, and we must never fail them.

9.45 pm

The Minister for Policing, Security and Community Safety (Hazel Blears): We have had an excellent debate with contributions from 27 hon. Members, which tells us that the subject is popular and that it resonates in hon. Members' constituencies.

I join other hon. Members in congratulating my hon. Friend the Member for Stourbridge (Lynda Waltho) and the hon. Member for Enfield, Southgate (Mr. Burrowes) on their excellent maiden speeches. My hon. Friend the Member for Stourbridge discussed her trips out with local police officers and neighbourhood watch—Mr. Timmins from Stourbridge will remain in my heart. She also paid tribute to her predecessor, Debra Shipley, whose work, particularly in relation to children, will be remembered by many hon. Members on both sides of the House. My hon. Friend said that Stourbridge has seized her heart; she seized our hearts tonight, and I am sure that we will hear more from her.

The hon. Member for Enfield, Southgate paid a generous tribute to his predecessor, Stephen Twigg, for whom we all have the greatest respect for his contribution to his community, and I am sure that the hon. Gentleman will make a similar contribution.

I am delighted that hon. Members from both sides of the House support many of the provisions in the Bill. The right hon. Member for Haltemprice and Howden (David Davis) welcomed drinking banning orders, the offences concerning concealed weapons and the work on imitation firearms. Along with a number of hon. Members, he raised the issue of the causes of crime. I gently remind him that the state of this country's economy when 3 million people were unemployed was a major contributor to some of the problems experienced by our poorest communities. We have heard a lot tonight from Conservative Members about the poorest

communities, but I ask them not to have collective amnesia and to remember our economy's current success.

My right hon. Friend the Member for Southampton, Itchen (Mr. Denham) raised some important points. He is a particular champion of trying to get the hospitality industry to contribute to the extra costs of policing, and I have no doubt that we will discuss some of the issues that he raised about definitions in Committee.

I welcome the broad support of the hon. Member for Winchester (Mr. Oaten) for many of the provisions in the Bill. He discussed how we can encourage voluntary activity. We want to see voluntary action, which is currently happening in a number of areas, on binge drinking in addition to the clear-cut alcohol disorder zones. He is right to raise the issue of sales on the internet, and we will continue to work on that matter over the summer and to debate it in Committee.

I am delighted that my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) raised the work that has been done in Manchester on tackling the whole range of antisocial behaviour. I commend the police and others in Manchester, who are pioneers in being on the side of the decent people in their community. On those issues, local people support action against the minority and the protection of the rights of the majority.

The hon. Member for Hertsmere (Mr. Clappison) raised the important issue of extra protection for those who serve the public. We have not gone down the path of creating a separate criminal offence, but we are determined that attacking people who serve the public will be an aggravating factor, and we want to work on that matter with the Sentencing Guidelines Council. The definition "public service worker" is very narrow, because some people who work in the private sector actually serve the public. I think that the question should be, "Is someone serving the public?", rather than focusing on their particular employment.

My hon. Friend the Member for Northampton, North (Ms Keeble) raised some important issues. I was delighted to visit her during the election. I know that she regularly goes out with her police service. She is right to mention planning in town centres. We need a wider mix of premises—not just premises targeted at 18 to 25-year-olds—so that perhaps some of us older people will feel comfortable in our town centres as well. Happy slapping can be dealt with under existing offences about actual bodily harm, but my hon. Friend is right to say that it is a worrying phenomenon and we have to take it seriously.

I welcome the general support of the hon. Member for Hornsey and Wood Green (Lynne Featherstone) for the proposals. She talked about differentiating between good and bad licensees. I am sure that she knows that we have been working on an accreditation scheme like Manchester's best bar none scheme whereby people get credit, endorsement and acknowledgement for running their premises in a proper way. We will look carefully into whether we can incorporate that into the Bill.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) referred to the way in which knives and guns are marketed. Many Members will have seen such information in leaflets and on the internet. It is already an offence to market knives in a way that could encourage combat. I share my hon. Friend's concern about whether that is being enforced properly and ensuring that we crack down on it. Some of the advertisements that I have seen are of great concern. I am pleased that he raised the issue.

The hon. Member for South-West Hertfordshire (Mr. Gauke) said that we have a modest set of proposals none of which he has any real objection to. That is fairly grudging support, but I welcome it none the less. He talked about the need for more police. He is relatively new to the House, but I am sure that he knows that under Labour we have an extra 13,000 police officers while under the Tories we had 1,100 fewer. I am sure that he will find that figure imprinted on his brain as we have these debates on a regular basis.

I was delighted to hear the contribution by my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott). She has an excellent record on campaigning against imitation weapons, and I am pleased that we have been able to deal with that in the Bill.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd)—I have got better at saying that as time has gone on—raised the important issue of enforcing our existing law. I am pleased to say that the number of offences that are being enforced has gone up in the past year to 18 months. We have had some massive enforcement campaigns, and we are right to press the police to enforce. The hon. Gentleman mentioned the marketing of alcopops. The issue of advertising and celebrities will be important in taking this forward.

My hon. Friend the Member for Warrington, North (Helen Jones) raised an issue that she has raised on several occasions—ensuring that penalties are right for people acquiring alcohol that is then passed on to young people. As she will know, it is now an offence as we have made it a fixed-penalty notice. However, we will continue to press forward in that respect.

The hon. Member for Rugby and Kenilworth (Jeremy Wright) talked about resources for policing. He will know—or if he does not now, he will over the next few months—that under this Government we have had a 30 per cent. increase in funding for police officers; that is a 21 per cent. real-terms increase after inflation.

My hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) has had a tremendous record on campaigning on airguns for several years now; I pay tribute to him for that. We have put measures in the Bill, and we are in discussions, particularly with Scottish Ministers, about whether there is further work that we can do. My hon. Friend has made a genuine and significant contribution to work in this area.

I was delighted to visit my hon. Friend the Member for North Durham (Mr. Jones) just a few months ago. At last we have the measures on mobile phone reprogramming that will help to crack down on mobile phone theft.

The hon. Member for South-West Norfolk (Mr. Fraser) asked about fixed-penalty notices. About 100,000 have been issued of which 75 per cent. have been paid. They are a great success. They save the police a huge amount of time in terms of bureaucracy and paperwork and have been welcomed enormously.

[Hazel Blears]

I was pleased to meet my hon. Friend the Member for Stafford (Mr. Kidney), as well as the licensee of the Swan hotel, during the general election. I did not have the pleasure of going to Zanzibar, but perhaps I might be able to visit him there on a future occasion. He mentioned pubwatch schemes, which are very important in tackling these issues. There is an excellent pubwatch scheme in Workington, where the police are working tremendously hard with the local council in making a difference.

The hon. Member for Clwyd, West (Mr. Jones) told us about some very worrying events that had taken place in his constituency, particularly the three fatal stabbings. The measures on knives in the Bill build on some pretty serious legislation that we already have in place. We have banned 19 different kinds of bladed weapons. We recently banned stealth knives, flick knives having been banned for a long time.

I was pleased to visit the constituency of my hon. Friend the Member for Wirral, West (Stephen Hesford) during the election campaign. I saw at first hand the reassurance that the police provide on the ground and the fact that local people feel much better for it. He asked us to look again at air weapons and we will continue to take the matter forward.

On the speech of the hon. Member for Woking (Mr. Malins), I want to put paid now to the idea that thousands of children are carrying knives in our schools. That is not true. Only a tiny minority carry knives but we want to ensure that we protect the majority of young people who could be put at risk.

I pay tribute to my hon. Friend the Member for Birmingham, Hall Green (Steve McCabe) for his work, especially on highlighting the problems with internet sales of knives and guns. He was working on that before many others and he has helped to push our policy making on the subject. I reassure him that we do not want alcohol disorder zones to undermine in any way the excellent regeneration projects throughout the country. They will ensure that we get a grip on the problem and help our regeneration to have even more impact.

I want to set the debate in a little context. Although we have said a great deal about violent crime tonight, it is in the context of a 30 per cent. reduction in crime in the past eight years. There are 500,000 fewer people getting burgled than under the previous Conservative Government. Vehicle crime is down by 30 per cent. and robbery is down by 25 per cent. from its peak four years ago. All that has been tackled by direct, focused action from the police, using intelligence, targeting the hot spots and the prolific and priority offenders—very smart policing. The police are working ever closer with their partners, especially in local government. They work together to protect elderly people, provide better street lighting and more CCTV.

However, it is true that crime trends are changing. We are moving from acquisitive crime—burglary and robbery—to more crime that revolves around behaviour, involving drink, drugs and violence. That is the reason for the Bill.

The measure will help the police and local authorities. It will give them the powers that they need to make another step change in the fight against crime. The Government are determined to keep ahead of the criminals and ensure that we are on the side of the decent, law-abiding majority, especially the decent young people who are often the victims of antisocial behaviour and violent crime. As well as giving the police the powers to do the job, we are trying hard to do one of the most difficult things that Government ever have to do: try to change people's behaviour. We want people to think twice and know that it is simply not worth it to carry on behaving violently towards others.

We want people to realise that it is not cool to carry a gun and to know that there are ways to resolve conflict other than using knives or being violent. That is why we are working with the Department for Education and Skills, why we have projects such as the Connected Fund and why we are working with Mothers Against Guns. The educational and preventive work is important to us because we are trying to change behaviour. It is difficult but we managed it on drink-driving and wearing seat belts. Some of those measures were fought tooth and nail—people said that they would never work. I therefore genuinely believe that we can help to change behaviour.

We have witnessed two of the best examples of changing behaviour in the Chamber today. I listened with increasing fascination to the speeches of the right hon. Member for Haltemprice and Howden and the hon. Member for Winchester. The right hon. Member for Haltemprice and Howden used to have a reputation as the hammer of the right but tonight, we saw caring, compassionate Conservatism. He talked about the causes of crime and championing the poor. Tonight was a revelation to me. I am not sure to which audience he is trying to appeal—perhaps it is not Labour Members but has more to do with the hon. Gentlemen who are sitting behind him. However, we have seen a tremendous change in the right hon. Gentleman's behaviour.

We have also witnessed behavioural change in the hon. Member for Winchester. He used to be the voice of civil liberties and the defender of individuals' rights, but today he was talking tough on crime. We heard him supporting our measures to tackle violent crime. We heard his comments on drinking banning orders, alcohol disorder zones and good behaviour.

I do not want the waste of life that happens through knife attacks, gun crime and alcohol. The Bill will help us to tackle that and I welcome hon. Members' contributions.

Question put and agreed to.

Bill accordingly read a Second time.

VIOLENT CRIME REDUCTION BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Violent Crime Reduction Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 25th October 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other Proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Heppell.]*

Question agreed to.

VIOLENT CRIME REDUCTION BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Violent Crime Reduction Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to that Act in the sums payable out of such money under any other Act.—*[Mr. Heppell.]*

Question agreed to.

National Health Service

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell]*

10 pm

Dr. Richard Taylor (Wyre Forest) (Ind): Thank you, Madam Deputy Speaker, for allowing me this opportunity to speak on this incredibly important and wide subject. It has nothing to do with my own constituency in particular, but I believe that it is of interest to everyone in the House. I welcome the new Minister to his position. I shall give him a fairly easy run, as I fear that I shall overstep my allocated time because I have so much to say. Also, there will not be many questions for him to answer because I want to make my points to a much wider forum than just the small number of Members who remain in the House.

After being re-elected as an independent Member, my thoughts turned to the previous independent who managed to sit through more than one term. He was, of course, A. P. Herbert, the hon. Member for Oxford University. In reading his book, "Independent Member", I noticed many parallels and many things on which I agree with him, and I should like to give the House a brief quote from it. During the terrible days of Munich, he wrote:

"I have even thought that, on great occasions where the parties were furiously raging together, the votes of Independents (cast with, of course, more conscience) might be as straws in the wind and show the party leaders which way the pure air of free opinion blows. Some horrid pride here, no doubt: but at least no 'levity' or lack of conscience."

I should like to think that, because I speak as an independent, without any party axe to grind, my comments will be taken in the spirit of helpfulness in which they are made, although there are some fairly marked warnings coming up.

I cannot speak without paying tribute to the undoubted improvements that have occurred in the NHS. I am thinking particularly of cancer and cardiac care, and of the public health White Paper, which brings to the fore such subjects as obesity and sexual health. I pay tribute to the formation of the Healthcare Commission, and to the move away from star ratings and targets towards standards, which will be less prescriptive and allow managers, in particular, to spend less time thinking about targets and more about what happens to the patient. I congratulate the Government on the institution of patients forums and overview and scrutiny committees, on the independent reconfiguration panel and on the paper, "Keeping the NHS local".

I want to dwell on some of the potential risks to further progress. They include the risk of alienating staff and patients by implementing major changes that have not been properly thought through and whose long-term consequences have not really been considered. In a recent edition of the *British Journal of Health Care Management*, Professor Alan Maynard of York university begins his article, which was written just before the general election and is entitled "Heading for the cliff edge?", in this way:

"The Labour Government—if re-elected—seems intent on maintaining its evidence-free policies that have a potential to destabilise the NHS."

That is a salutary warning.

[Dr. Richard Taylor]

I want to talk about three subjects: choice, continuity of care and communication, and increasing use of the market and the private sector. No one is in any doubt that what patients want is prompt access to quality care as near home as is possible, so no one is against choice. Before the market, there was infinite choice in terms of referral, at least for doctors. Whether the doctors passed the choice on to all their patients, I am not entirely sure, but I know that some did. Since the market, choice has been severely constrained by contracts. Even when I retired, everyone working in the health service knew of the tremendous problems with extra-contractual referrals, which were dreadfully difficult to organise.

The Government's emphasis on choice is welcome, but I want to say something about choose and book. Along with other members of the Health Committee, I visited Richmond house to see a mock-up demonstration of how it would work. I could not help thinking back to the time when my hospital organised a mock-up demonstration of a brand-new computer system that would revolutionise monitoring in our intensive care unit. The model worked beautifully. We bought it and plugged it in, but it did not work on patients and we had to ask for our money back. I am terribly worried that these models that look so marvellous may not work as well as promised.

Choose and book has been very badly sold to the professions. The use of that method for 50 per cent. of GP referrals by October is out of the question. Will the Government at least agree to a delay? There is no urgency—there are at least four years in which they can get things right.

This is the ideal subject for a pilot trial. I have spoken to my local primary care trust. It knows that most practices resist the idea, but it tells me that at least five practices in my county, Worcestershire, would be willing to undergo pilot trials. There would have to be a firm set of questions to answer, there would have to be a time scale and the trials would have to be allowed to finish. Many NHS trials in the past have been scrapped before they were finished. Local hospitals would need time in which to get their act together so that they could actively compete. The Government must help local hospitals to focus their resources in local services.

My second warning relates to continuity of care and communication. Most local patient complaints—I receive a good many from further afield, although I try not to deal with them when they come from other Members' constituents—are based on a lack of communication between clinical staff and patients and their families, or between hospital staff and GPs. Those difficulties have become worse and worse since the introduction of the shift system. The position is described graphically in a recent article in the *Journal of the Royal Society of Medicine* headed, "A post-take ward round", by the professor of medicine at University college London. It states:

"Our round starts on the coronary care unit and the group consists of a night team, a day team, some of yesterday's team and a cardiologist . . . The number of doctors on the round has increased but the chances of any one doctor knowing the full course of the patient from admission from post-take round is virtually nil. On the other hand, the junior doctors come into contact with many different consultants and the consultants get to know most of the junior staff. An advance? Not in terms of continuity of care or team spirit, but perhaps as we get used to working in shifts these problems will resolve."

That worries me, because the spin-off for the patient is that, time and again, they do not know who they are under and whom to ask, and they leave with unanswered questions.

I hope that the Healthcare Commission will pick up on that matter in its complaints handling and deal with it. Is slavish following of the European working-time directive correct? Trainees are beginning to speak out against the current scheme. I shall give a few useful quotes from trainees themselves in a recent edition of *Hospital Doctor*. A registrar in general medicine said:

"There is no continuity of care any more. You might meet a patient at 6 pm, go home at 9 pm and don't follow them through, which affects training, as you miss out on seeing the whole spectrum of complications."

A specialist registrar in general surgery said:

"My training is affected as I am doing about 20 per cent. less elective surgery and I'd say up to 80 per cent. of my colleagues would support going back to the old style of on-call."

A specialist registrar in gastroenterology said:

"I have calculated I've lost 25 per cent. of endoscopy experience, do 25 per cent. fewer ward rounds and get to 30 per cent. fewer clinics. The only reason I feel confident is because I had a couple of years under the old system."

A week or two later, the leader writer of *Hospital Doctor* wrote:

"Most of the trainees I talk to still see medicine as their vocation and are prepared to balance personal demands with improved training and service delivery, even if that means a few hours more work. But you don't hear that important voice in the working time debate, which is a shame, because it just might help make it workable."

There is a feeling at the moment that we can revolt in some ways against Europe. I would very much like to see a revolt against the European working time directive and some compromise that made it a little more workable.

I move on to my third warning, which is the most important. It is about the rapid extension of the NHS market and the increasing use of the private sector. Most staff and patients—I still have contacts with a lot—would prefer short-term use of the private sector while the NHS is strengthened. Lots has been written recently about independent sector treatment centres. The fear is that they will cherry-pick the easy cases, removing them from NHS hospitals that would use them for training.

Follow-up is a puzzle. Who is going to deal with the complications that occur in those independent sector treatment centres? What is the cover at weekends and during holidays? How will they be staffed? Will it be by robbing other countries of staff? We have examples of recruitment agencies advertising for as many as 30 doctors from central European countries and South Africa, to say nothing of nurses, so we are going to have an unstable short-term work force.

Another worry, which I have not had time to check and I am sure the Minister will look into, is accreditation. I am told that, in some countries, accreditation is rather less stringent than in this country and that a professor may accredit his juniors to work

under him, rather than them working as individual responsible consultants elsewhere. If that is the case and those people are being accepted into this country to work unsupervised, that is worrying.

The thing that bothers me is that, as soon as a consultant objects to the NHS using the private sector more and more, the response from most health service managers and many MPs is to think that consultants are interested only in the money in their pockets and that they would condemn anything that affects that. In my career, I did very little in the way of private medicine and knew very few colleagues who abused the system. That is backed up by a recent article in the *Health Service Journal*, where a former NHS finance director wrote that he had met

"very few NHS people who are genuinely in it for the money. One reason the new consultant contract has proved so expensive is that we now count time that was previously given for free."

Professor Wendy Savage, a well-known critic of the establishment, writes that most health professionals are motivated

"by altruism and concern for patients' best interests. They have survived decades of underfunding followed by constant administrative change only to find that the money being put into the NHS is being siphoned off to the private sector."

The NHS is incredibly precious to people and to its professionals. There is tremendous resistance to increasing use of the market and of the private sector at advantageous terms. With exceptions, professionals are not good at protecting the NHS. They are very short of weapons. Doctors and nurses cannot strike effectively. There have been attempts in the past to work to rule but these just did not work because whatever is done impacts on the patients. I feel that the Government know that there are no real weapons.

The NHS Consultants Association, which has no axe to grind about private work, produced a policy statement and a manifesto. The statement said that each new policy initiative

"should be fully assessed and where possible piloted before general introduction. Its effects should be monitored with particular reference to longer term consequences . . . . There is no evidence that the enforced purchase of services from private institutions provides more efficient or effective health care than would investing the same funds in the NHS."

The manifesto stated:

"The aim should be that essential additional funding is used for patient care and not wasted in market bureaucracy such as billing, invoicing and marketing, nor in the diversion of public funds to private profit."

At first hearing, we welcomed the reports that the Secretary of State would listen, but at the same time she has promised to keep her foot on the accelerator. One wonders what hope there is for a change of pace or direction. Listening is not the end. Shakespeare, as always, has it succinctly and absolutely correctly:

"It is the disease of not listening, the malady of not marking, that I am troubled withal."

The malady of not marking means not acting on what one has heard, and this could be desperately important.

To whom should the Secretary of State listen? She should listen to patients, forum members, the Patients Association and obviously the professions—not only the BMA and the RCN, but royal colleges, the Academies of the Medical Royal Colleges, the Hospital Consultants and Specialists Association and the NHS Consultants Association.

I very much welcome the reports that the Secretary of State will try to go incognito into hospitals and theatres, gowned so that no one recognises her. I hope that that will be possible, because talking to people without civil servants and hospital managers would give a true picture. Why should she listen? She should do so because the ultimate weapon of the ordinary person is the ballot box. As several Labour Members have suggested, the introduction of market pressures into health and education is in flat conflict with our traditional values. The power of the ballot box is emphasised absolutely by my presence in this place.

I do not know how today's leader in *The Guardian* managed to be so prescient as to write:

"If the threats to shut down Kidderminster hospital's accident and emergency department lost Labour its seat in the town in 2001, what is the government's new competitive health market going to do in the 2009 election with hospital departments and wards being closed up and down the country?"

The Government must wake up, because people are beginning to grasp what is going on. The leader in *The Guardian* continued:

"Labour's plan is far more radical than the internal market that the Conservatives introduced in 1991."

The Government have done so much good for the NHS. Ministers must pause, listen and act now, before it is too late.

10.20 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate and on contributing to health debates in this House over the years. I listened very carefully to what he had to say, because I suspect that after a lifetime's service to the medical profession, he knows a few things about the practice of medicine that I, being so new to this post, do not. Nevertheless, let me try to respond to the issues that he raised, and in so doing to set out why I believe that the Government have the right approach to modernising one of our most important—if not the most important—national institutions. I hope to be able to provide some comfort in respect of some of the points that he raised.

The NHS is a cherished and much respected institution and we all want to see it succeed in future. Over the last few years—and in the manifesto that we presented to the electorate in May—we have put in place the reforms to ensure the future success of the NHS, so that it becomes a service fit for the 21st century that we can be proud of. We believe that that service must remain true to two founding principles: care provided on the basis of need, not wealth; and each person having the same rights as everyone else.

Five years into our programme of reform—the NHS plan—we have already achieved a great deal. How do we know? We need look no further than three areas of delivery: staffing, waiting times and health outcomes. The hon. Gentleman mentioned staff, and today more doctors and nurses are working in the NHS than ever.

[Mr. Liam Byrne]

There are 21 per cent. more staff overall, 21 per cent. more general practitioners and 44 per cent. more consultants. The hon. Gentleman mentioned the risk of changes alienating them. One development that will be important in making sure that that does not happen is the introduction of "Agenda for Change" and of the new GP and consultant contracts, which show that we are now investing properly in our staff.

Of course, achieving continuity of care will always be a challenge, but we must balance the issues that the hon. Gentleman pointed out against the right of every patient not to have a doctor who is tired. The introduction of the working time directive presents an opportunity to modernise, but we must of course pay heed to the hon. Gentleman's warning—to ensure that we do not just comply, but comply safely.

As a result of the new capacity that we have put in place, backed by the biggest hospital building programme in history, we have slashed waiting times. In-patient waits have fallen to nine months and will be down to six months by the end of this year. Already, nobody waits more than three months for coronary bypass grafts and cataract surgery. More than 19 out of 20 accident and emergency patients are now seen within four hours; the majority are out in less than two hours. On top of this, new services are transforming access, giving patients faster and more convenient access to treatment. Some 6 million people have already attended NHS walk-in centres, and 15 million patients a year are contacting NHS Direct. Our goal, however, is to go further even than this by 2008. Our target is that no one waits longer than 18 weeks from GP referral for their hospital treatment.

All this—increased staff and better waiting times—is good news when we judge our record against what is probably the stiffest test of all, to which the hon. Gentleman alluded: what is happening to health outcomes. Here, too, there is good news. Premature deaths from cancer, coronary heart disease and suicide continue to fall. In fact, the number of premature deaths from lung cancer among British men is falling faster than in any other country. All this has been possible because we have backed our belief in the national health service with the reality of sustained, record real-terms investment. I thank the hon. Gentleman for pointing out what a difference that has made not just to the country, but to his own community in Wyre Forest and Kidderminster. From 2003–04 to 2007–08, we are increasing expenditure by 7.3 per cent., on average, over and above the rate of inflation. That compares with a figure of just 3 per cent. under the previous Administration.

Through this new investment, we have built the capacity to reduce waiting times, we have brought in more staff and we are giving patients faster access to high-quality care. As the hon. Gentleman adroitly pointed out, the challenge now changes, because with the new investment we have started to transform the NHS so that it becomes a truly patient-led health service. We want an NHS that treats every patient in the way they want to be treated and in the way that we ourselves and our own families would want to be treated.

The hon. Gentleman made reference to the need to listen, and I could not agree more. We will simply not deliver a patient-centred NHS unless we take seriously the business of listening to patients, their carers and NHS staff. There is no better illustration of our commitment not just to listen but to respond than our reforms to ensure that choice is a reality for everyone in this country. People told us that they wanted more choice and control over their health care and services, and the hon. Gentleman agrees. They did so overwhelmingly. In 2003, something like three quarters of the sample said that they wanted to be more involved in decisions about their condition and treatment—and this was not a theoretical survey. In the coronary heart disease choice scheme piloted in London, about 86 per cent. of patients said that they would recommend it to other patients. What is more, early evidence from those pilots shows strong support for choice from patients of all social groups.

If choice is so important for patients, I believe that we are duty bound to respond. That is why increasing patient choice is at the heart of our programme of reform and why we are committed to giving people more choice across the entire pathway of their care—choice in the hospital they go to, choice in how they access medicines and primary care, choice in maternity services and, yes, choice over end-of-life care. That future is already becoming a reality. From the end of this year, patients referred to hospital will be able to choose from at least four providers, and by 2008 they will be free to choose any provider that meets NHS standards at NHS cost.

As the hon. Gentleman acknowledged, two important innovations support the new future. The first is the development of the choose and book service to help patients and GPs look at the choices available to them. It is a powerful way of giving patients an informed choice and of enabling both patients and GPs to manage their appointments themselves. I can reassure the hon. Gentleman by reminding him that thousands of clinical and other staff were involved in developing the pilots. Early evidence among the 53 sets of GPs involved has been positive. That is why the Government are confident that choose and book will work. The hon. Gentleman's expertise is welcome and I shall ensure that his advice is factored in.

The second important innovation is the revolution in the provision of information made available to people as they take health decisions. To support that ambition, we are taking forward a three-year national strategy to bring information into the 21st century. By giving people the right information at the right time with the support that they need to use it, we will go a great deal of the distance towards creating a true partnership between the patient and the health care professional.

That said, the biggest difference to many people served by the NHS, particularly to those with long-term conditions, will come from the mainstreaming of the expert patients programme—a generic, lay-led self-management programme for people living with long-term conditions. I was pleased to see that we committed ourselves in our manifesto to trebling the investment in the EPP. The EPP shows how we are listening to patients and responding to their desire to take more control, and that theme of listening will characterise our work over the next Parliament. Later this year, we will

be rolling out a national programme of consultation with patients, staff and the general public about the future of hospital care in this country. I hope that the hon. Gentleman will make a contribution to that, as he has a great deal to offer. The message is that we want patients and staff working together to shape the future of our health service.

Clearly, we have made a good start in transforming the NHS, but we know that we still have a long way to go. We are only five years into our 10-year programme of reform and we will not let the pace of reform slacken. The hon. Gentleman mentioned independent procurement, but that involves only about 1.5 per cent. of the total number of procedures carried out in the NHS, rising to about 3 per cent. in a couple of years' time. I agree with much of what he said: we must get our procurement and treatment model right if we are to make progress.

Madam Deputy Speaker, we will not achieve a future national health service of which we can be proud without the hard work and dedication of NHS staff. We know that our staff—doctors, nurses, physios, scientists, paramedics, porters, receptionists—are the foundation of the NHS and we know how committed they are to giving their patients high-quality care. I know that many of these changes that we have mentioned this evening are already making a difference to health care in and around Kidderminster and Wyre Forest. Only by working with patients and with our staff, in partnership and backed by new investment, will we deliver our vision of an NHS that really meets the needs of our modern society—a truly world-class NHS, of which yet another generation will be truly proud.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Tuesday 21 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON BILL *(By Order)*

Order for Second Reading read.

Read a Second time, and committed.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

Iraq

1. **Ian Lucas** (Wrexham) (Lab): What recent discussions he has had with the Iraqi Government concerning security in Iraq. [5694]

4. **Ms Celia Barlow** (Hove) (Lab): When he last met representatives of the Iraqi Government to discuss the proposed new constitution. [5698]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): With the European Union presidency, I visited Iraq on 9 June and discussed security and constitutional matters, as well as other topics, with President Talabani, Prime Minister Jaafari and other leaders. Security and stability are plainly key to progress in Iraq. Iraqi forces are increasingly taking a lead in this effort.

I stressed to all whom I saw the need for an inclusive constitutional drafting process that included fair representation from the Sunni community and kept to the timeline. I therefore welcome the agreement reached on 17 June to add 15 Sunni members to the constitutional committee and to appoint 10 Sunni advisory experts. Tomorrow, I shall attend an international conference on Iraq that is being held in Brussels.

Ian Lucas: I am most grateful to my right hon. Friend for that detailed reply. The whole House is concerned about the reported continuing high levels of violence in Iraq. What reassurance can he give me that the situation is navigable? Is real progress being made and what role are British troops playing in that progress?

Mr. Straw: Violence is at an unacceptable level and is higher than was anticipated. Tragically, most of the casualties of the violence today are other Iraqis, who have become the principal targets of the violence. That said, I was impressed when I visited Baghdad two weeks ago by the progress that had been made on the readiness and numbers of the Iraqi security forces. The Iraqis have a clear choice about whether they bring together the components of a properly functioning democratic and secure state. I believe that they are doing that, although there will be many difficulties on the way.

Ms Barlow: When my right hon. Friend met representatives of the committee that is drawing up the new constitution, did he believe that it was a fair and accurate representation of the demographics of the country? Does he believe that it is on course to complete the constitution before 15 August?

Mr. Straw: The original composition of the body to draw up the constitution plainly did not represent accurately all the three communities in Iraq, above all because most of the Sunni community decided not to take part in the elections. However, following the decision reached just four days ago to add 15 Sunni members to the constitutional committee, it is now as broadly representative of the Sunni as it is of the Kurds and the Shi'a. There are three deadlines: 15 August, 15 October and 15 December. I am fairly convinced that those timelines will be met, although it will be a close-run thing in each case.

Patrick Mercer (Newark) (Con): The whole House will be aware that the level of violence in Iraq has climbed hideously over the past few weeks and months. At the same time, the Ministry of Defence is preparing plans to withdraw large numbers of troops from Iraq, which seems to sit uneasily with the comment made by the Minister for Europe during the debate on the Queen's Speech that we would leave only when the job was done. Will the Foreign Secretary define how he sees the situation arising when the job will indeed be done?

Mr. Straw: What my right hon. Friend the Minister for Europe said sits very well with what the hon. Gentleman and the House also took from his remarks. Under Security Council resolution 1546, a review is taking place of the mandate, which will expire on 31 December unless it is renewed. Meanwhile, Iraqi security forces are significantly improving their capability and increasing in number—that just happens to be true—and they are involved in serious security operations to a far greater extent than they were this time last year. They have suffered many more casualties than the coalition, proportionately, but none the less I was assured by our British senior commanders when I was in Baghdad that the morale and capability of many of the Iraqi forces, although not all, was high. There are already 168,000 people involved in the Iraqi security forces, so as that number rises, it is rational and sensible for the numbers involved in the coalition to reduce provided, first, that we are sure that it is safe for those numbers to reduce and, secondly, that that is the wish of the Iraqi people and Government.

Mr. Crispin Blunt (Reigate) (Con): What is the Foreign Secretary's assessment of whether the constitutional arrangements are likely to be acceptable to the Kurdish minority come 15 December, and what is his assessment of the effect on the security situation if they are not?

Mr. Straw: As the hon. Gentleman may know, within the transitional administrative law there is a complicated lock mechanism that provides that the results of a referendum are not valid if, I think, two thirds of the voters in three of the provinces have voted against the referendum proposition. That provision was designed as a safeguard for the Kurds. As it has turned out, it is a safeguard also for the Sunni community. All sections of the community—the majority Shi'a, the Kurds and the Sunni—understand that if they are to maintain their aim of keeping Iraq together, albeit within some sort of federal structure, the constitutional arrangements have to be acceptable to all three communities. Although it will be difficult getting there, I believe that that will be achieved.

Ann Clwyd (Cynon Valley) (Lab): Yesterday, I met representatives of the Iraqi Islamic party and also Sunni Muslims who have returned from this country to Iraq, who are anxious to play a part in the political process. One matter that they raised concerns us all, and that is the lack of a Human Rights Minister in the Cabinet of the new Government of Iraq. Five months have passed and still a Human Rights Minister has not been appointed. I believe that such an appointment is essential. I ask my right hon. Friend to lend his voice to this plea.

Mr. Straw: My right hon. Friend is absolutely right on that point. I raised the matter with Prime Minister Jaafari when I saw him and he explained that it was a nomination due to come from one particular section of the community and that he was waiting for it. I will continue to make representations on the matter on behalf of the House, including my right hon. Friend.

Richard Younger-Ross (Teignbridge) (LD): The Foreign Secretary stated in his opening answer that security was obviously important to the future of Iraq. Does the right hon. Gentleman agree that prosperity is also important if we are to go forward? What contacts and what interchange has he had with European colleagues on the release of European funds for essential works such as water supply and electricity?

Mr. Straw: I have had many discussions with my European colleagues, and ensuring a satisfactory flow of funds will be one of the issues before the EU-US international conference on Iraq, which I shall be attending tomorrow. The thing that is holding Iraq back is not an inadequacy of external funds or of investment projects, or the inadequacy of the innate abilities of the population, but terrorism. That is why improving security is fundamental to the achievement of the other goals that we and, above all, the Iraqi people have—prosperity and good governance.

Mr. David Winnick (Walsall, North) (Lab): Is it not important that those, particularly outside this place, who refer to the high number of casualties should bear in mind that casualties are being caused in large numbers, as already pointed out, by the terrorist suicide bombers, the enemies of Iraq? Does my right hon. Friend agree that the impression should not be given that somehow British or American continued intervention in Iraq is open-ended—I have listened to what he has said—and that there is a strong case for looking at the situation whereby British and American troops leave the country, obviously in the best circumstances?

Mr. Straw: On my hon. Friend's first point, it is true that there would be no casualties if there were no terrorism. There are virtually no casualties and no incidents in 10 of the 18 provinces of Iraq because the situation there is broadly under control. There is a high level of consent for the presence of the security forces, whether they are coalition or indigenous. On the second part of my hon. Friend's question, I confirm that the coalition's commitment is not open-ended. That is not desired by this Parliament or by the US Congress, for example, nor, above all, is it desired by the Iraqi people. The Iraqi people want to reach the position where they can run their own affairs as quickly as possible. The only issue is ensuring that they can do that in a safe and sensible way.

Armed Conflict (Africa)

2. **Mr. Michael Jack** (Fylde) (Con): If he will make a statement on the role of the Government in bringing armed conflict within African countries to an end.

[5696]

The Minister for Trade (Ian Pearson): The Government are committed to promoting peace and security in Africa. We work closely with our international partners to tackle conflict and its causes. At the heart of our approach is a commitment to help Africans strengthen their own ability to prevent war and keep the peace. We hope that this will be part of the broader package of support for Africa to be discussed at the forthcoming Gleneagles summit.

Mr. Jack: Anybody who saw the reports on ITN by Neil Connery of the brutal use of conflict by Robert Mugabe to make 500,000 of his own people homeless will understand just what conflict in Africa means. The Minister mentioned the G8 at Gleneagles. So far, efforts by the British Government, European Governments and world Governments have failed stop Mugabe's brutality. May I seek an absolute assurance that the G8 will use all its power and influence to stop the brutal, inhuman conflict in that African country once and for all?

Ian Pearson: I would hope that the whole House shares the Government's disgust at the despicable Mugabe regime and what it is doing to its people. We have protested directly to the Zimbabwean Government, and my right hon. Friend the Foreign Secretary raised the issue at the General Affairs and External Relations Council on 13 June. As a Government, we are committed to doing all that we can to assess the situation. The hon. Gentleman may be

aware that the United Nations Secretary-General announced only yesterday the appointment of a special envoy for human settlement issues in Zimbabwe to study the scope of the recent evictions of illegal dwellers, informal traders and squatters and to assess its humanitarian impact on the affected population. We understand that Mugabe has agreed to that visit, and that it will take place at an early opportunity.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My hon. Friend will be aware that about half of the African countries that emerge from civil war fall back into conflict in a short period, because there is no stabilisation force or any mediation forces. He talked about the likelihood of support coming from Gleneagles, but can he say a little more about that? Will it consist of aid to assemble an African Union force along with mediators from the United Nations?

Ian Pearson: My hon. Friend is right. The Commission for Africa report showed graphically that countries that become democratic can slip back into conflict. However, more than two thirds of countries in sub-Saharan Africa have held democratic elections in the past five years, so progress is being made. The way in which the African Union deploys its peacekeeping force is a matter for it to decide, but the Government hope to agree a comprehensive support package at Gleneagles.

Dr. Liam Fox (Woodspring) (Con): It is widely reported that China or Chinese companies have provided Robert Mugabe's regime with radio-jamming equipment, which was used to block independent radio stations during the election. They have begun to deliver 12 fighter aircraft and 100 trucks to Zimbabwe's army at a time when there is a western arms embargo. Can the Minister confirm those facts, and what representations have the Government made?

Ian Pearson: I am not in a position to confirm the hon. Gentleman's claims, but we will certainly investigate any such allegations. Clearly, we do not want the Zimbabwean regime to be supplied with arms from any source, and we would want to take steps and use the influence that we have to make sure that Zimbabwe does not receive weapons to use in the internal repression of its people.

Mr. Chris Mullin (Sunderland, South) (Lab): As my hon. Friend knows, one of the conflicts in Africa that we played a part in trying to resolve is that in northern Uganda, involving the Lord's Resistance Army. Can he bring the House up to date on what progress has been made in bringing that conflict to an end?

Ian Pearson: I am sure my hon. Friend could bring the House up to date. I will draw his comments to the attention of my noble Friend Lord Triesman, who is the Minister with responsibility for Africa, and who I am sure will want to write to my hon. Friend on the issue.

Dr. Fox: First, I am astonished that with the stories about Chinese supplies to the Mugabe regime so widespread, the Foreign Office does not seem to have a line on that or to have investigated. Does not that show the wider problem with many African states? In Zimbabwe, a brutal and callous dictator wrecks his economy, destroys his agriculture, deliberately makes his own people homeless, and yet is still getting help from outside. Is it not tragic that irrespective of how much debt relief and aid we make available, it will not help many of the people of Africa if we cannot overcome bad governance, especially if those regimes are helped from outside?

Ian Pearson: The hon. Gentleman will be aware that good governance is a core part of the Government's programme, and it is exactly what we want to see achieved in Zimbabwe and other countries in Africa. He raises the issue of humanitarian assistance. It is important that we do what we can to assist those who were affected by the crackdown that has taken place in Zimbabwe. Funds so far have reached over 8,000 families in the form of food, blankets and other essentials, and that is worthwhile. We will continue to express our disgust at the antics of the Mugabe regime directly to that regime. Our posts across Africa are also raising our concerns about Zimbabwe with host Governments who may have some influence on the regime.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): A group of Sierra Leonean families in Blackpool have come together to try to form a charity to raise funds to help that country, but they are facing problems in liaising with the Red Cross, the Sierra Leonean high commission and the United Nations. I will write to my hon. Friend about that particular group, but will he look at small local charitable groups that desperately want to help in rebuilding war-torn African countries, and offer those groups advice and help so that they, too, can take part in rebuilding?

Ian Pearson: I am very keen that we do all we can to help Sierra Leone, and great progress has been made. My hon. Friend mentions a number of difficulties. I am happy to meet the charity concerned and to raise the matter with my right hon. Friend the Secretary of State for International Development.

Sir Menzies Campbell (North-East Fife) (LD): While accepting that the circumstances of no two countries are ever exactly the same, does the Minister see some parallels between what is happening in Sudan and what is happening in Zimbabwe—oppressive Governments abusing the human rights of their citizens, rendering thousands homeless and exposing millions to the possibility of starvation? At Gleneagles we shall talk of lifting people out of poverty. Should we not be considering how we can protect the people of Africa, particularly in Sudan and Zimbabwe, or must we stand by, impotent and frustrated, while their very lives and dignity are taken from them by their own Governments?

Ian Pearson: There are parallels, of course, and the right hon. and learned Gentleman is right to point to the need for protection. Security and protection is a core part of what we want to see achieved. We hope that at Gleneagles we can draw up a comprehensive package that will see more support provided to the African Union. Where the African Union has deployed its forces in Sudan, it has been successful in bringing about a far more peaceful situation. We need to see more of that.

Iran

3. **Mr. Eric Illsley** (Barnsley, Central) (Lab): If he will make a statement on his discussions with the Iranian Government on its nuclear programme. [5697]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): My French and German colleagues, together with the European Union's high representative, and I met an Iranian team in Geneva on 25 May, when discussion took place under the framework of the November 2004 Paris agreement. The European side undertook to present proposals to Iran by the end of July or the beginning of August. Officials are currently working on those proposals, which will include objective guarantees that Iran's nuclear programme is for exclusively peaceful purposes. They will also include economic and technological co-operation, assurances of fuel supply and a political and security framework.

Mr. Illsley: I am grateful to my right hon. Friend for his reply. He knows that it is essential that he and his European Union counterparts continue the dialogue with Iran. At the G8 summit, will he take the opportunity to raise the issue of the deal struck between Russia and Iran in February this year on the supply of nuclear fuel rods? Russia has insisted that those rods are returned to Iran to safeguard against enriched uranium being used for anything other than peaceful purposes. Will he seek an opportunity to discuss that matter either directly with Russia or within the general framework of the G8?

Mr. Straw: I shall see my colleague Sergei Lavrov, the Russian Foreign Minister, tomorrow, and I hope to have a bilateral discussion with him, as well as seeing him at the G8 Foreign Ministers meeting. Russia is under contract to provide the design of a nuclear power plant at Bushehr in Iran and also to supply it with fuel, which is consistent with Russia and Iran's obligations under the non-proliferation treaty. Enrichment, reprocessing and conversion facilities within Iran are our concern, and the international community remains perplexed about the scale of the fuel cycle programme in Iran, given that the Iranians have only one nuclear power station coming on stream, and all the fuel for it is due to come from Russia.

Sir Nicholas Winterton (Macclesfield) (Con): I fully support the hon. Member for Barnsley, Central (Mr. Illsley) in his demand that our discussions with Iran should continue. Will the Foreign Secretary indicate what discussions he has had with those members of the Iranian political scene who recently contested an election and who will appear in the final round? Does he feel that there is sufficient confidence between us to negotiate sensibly and rationally about Iran's nuclear programme? Iran is a very important country in that part of the world; our ongoing negotiations are critical; and I believe that we carry a great deal of influence.

Mr. Straw: I agree with the hon. Gentleman's final remarks. On his first question, our relations with Iran are strictly Government to Government, as they are with any other sovereign member state of the United Nations, so I have not had discussions with any of the candidates for the presidency of Iran. As the hon. Gentleman knows, last Friday's first round was inconclusive and this Friday's second round is bound to be at least arithmetically conclusive.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): Does the Foreign Secretary agree that it is important to emphasise that these are multilateral diplomatic negotiations and not bilateral negotiations? Some countries fear that the negotiations are bilateral and involve the US objective of regime change. It is important to take into consideration the views of countries such as South Korea, Thailand, Japan and even China, so that we end up with a more peaceful world through diplomatic negotiations.

Mr. Straw: The negotiations are, indeed, multilateral. I am pleased and proud that the United Kingdom, France and Germany have taken the lead on the issue. At each stage, our ability to negotiate has been greatly strengthened by the real and effective international consensus, and China, South Korea and other members of the board of governors of the International Atomic Energy Agency have actively backed the resolutions of the board on the next stage of the negotiations.

Middle East

6. **Dr. Brian Iddon** (Bolton, South-East) (Lab): If he will make a statement on his recent visit to Israel and Palestine. [5700]

7. **Sir Peter Soulsby** (Leicester, South) (Lab): When he last met representatives of the Palestinian Authority to discuss progress on the Middle East peace settlement. [5701]

8. **Dr. Nick Palmer** (Broxtowe) (Lab): If he will make a statement on progress towards a Middle East peace settlement. [5702]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): I visited Israel and the occupied territories two weeks ago on 7 and 8 June. There I met Israeli Prime Minister Ariel Sharon, Palestinian President Mahmoud Abbas and Ministers on each side, along with US security co-ordinator General Ward and the Quartet disengagement representative, James Wolfensohn. I offered our active support for Israeli disengagement from Gaza, which is now due in mid-August. Prime Minister Sharon and President Abbas are meeting right now to take the process forward.

Dr. Iddon: I appreciate my right hon. Friend's reply and, indeed, his visit to Israel and Palestine. However, my concern is over the E1 plan, which involves the building of about 3,500 new properties to the east of the old city of Jerusalem. That will effectively divide the west bank into north and south, but worse than that, it will make the final status talks about Jerusalem almost impossible. Did my right hon. Friend have any discussions with the two leaders on that matter?

Mr. Straw: My hon. Friend is entirely right to be deeply concerned, because if that building goes on it will indeed divide the north and south of the west bank. I raised the matter with President Mahmoud Abbas and, perhaps more importantly in this context, with the Prime Minister of Israel, Ariel Sharon, and made clear our opposition to the continual building of these settlements as well as to the siting of the security barrier other than on Israeli territory.

Sir Peter Soulsby: In his initial response to the question, the Foreign Secretary indicated that this is indeed a unique opportunity to move forwards in the middle east and to move towards a two-state solution that protects the interests of the Israeli Government while securing justice for the Palestinians, but in his response to the supplementary he dealt with one of the issues that threatens that progress. I hope that he can assure us that he will press the Israeli Government to cease the construction of their separation barrier and to cease the mass arrests, because both those things threaten the continuation of the process and also give succour to the militants, who could so easily undermine the success of that process. Will he press the Israeli Government to desist on both fronts?

Mr. Straw: As I have explained, we have already made, and will continue to make, strong representations to the Government of Israel about the building of settlements other than on Israeli land and the siting of the route of the separation barrier, again other than on Israeli land.

On arrests, I simply say to my hon. Friend that in recent weeks some hundreds of prisoners have been released by the Israeli Government as part of the steps that they have taken, in co-operation with the Palestinian Authority, to rebuild better confidence between the two sides and, not least, to improve collaboration when Israel starts to withdraw from Gaza on 16 August.

I also say to my hon. Friend that it is important that we should not be rosy-eyed about the terrorists—Hamas, Islamic Jihad and Hezbollah—who are continuing to commit violence not only against Israeli civilians and Israeli forces but, in doing so, against the Palestinian moderates who wish to see a peaceful solution to the conflict that has continued there for nigh on 60 years.

Dr. Palmer: Following the Foreign Secretary's last reply, does he agree that it is entirely welcome that Israel and the Palestinian Authority have been able to reach agreement on working together to make the withdrawal from Gaza successful? Does he further agree that it is likely that extremists will attempt to disrupt this so as to make the continuation of the peace process difficult and that moderates on both sides need our strong support to help them to carry it through?

Mr. Straw: First, there is co-operation. It goes in fits and starts on each side because there is a long history of suspicion by Palestinians of Israelis and by Israelis of Palestinians. However, yesterday's announcement by Secretary of State Condoleezza Rice that both sides had agreed on the importance of demolishing the settlers' homes in Gaza because they are not suitable is an indication of the amount of co-operation.

My hon. Friend is also right that there are terrorists in the occupied territories who perceive the Palestinian Authority and moderate Palestinians as almost as much of an enemy as Israel and Israelis. We all need to be aware of that. For example, in recent incidents terrorists fired rockets and mortars at Israelis to provoke them into action against the Palestinian Authority. It is perfectly possible that such provocation, killing and violence will go on until 16 August—the date of the withdrawal—and beyond.

James Brokenshire (Hornchurch) (Con): The Foreign Secretary referred to the threat to the peace process from terrorist organisations. The Government have sanctioned some discussions with Hamas in the recent past. Will the right hon. Gentleman comment on that and on the consistency of the Government's view, especially in the context of the EU-wide ban on discussions with Hamas?

Mr. Straw: As my hon. Friend with a doctorate, whose constituency I momentarily forget—

John Bercow (Buckingham) (Con): Pontypridd.

Mr. Straw: Yes, Pontypridd.

John Bercow: It is in Wales.

Mr. Straw: I know that it is in Wales. I ought to know better because I have known my hon. Friend for 37 years, if not longer, but that is another story.

As the Minister for the Middle East, my hon. Friend the Member for Pontypridd (Dr. Howells), spelled out in recent written answers, the meetings took place with two elected mayors who happened to be associated with Hamas. The circumstances have been spelled out in detail in those written answers, which also point out that no further meetings with elected members of Hamas are planned. I should say that in my judgment those limited meetings—which were to do with the fact that, when consular and diplomatic staff from any country go into towns in the occupied territories, it is de rigueur that they meet the mayors—were not inconsistent with our position that we will not have dealings with the leadership of such terrorist organisations.

Mr. Stephen Dorrell (Charnwood) (Con): In her speech in Cairo yesterday, Condoleezza Rice said that, in her view, American policy in the middle east had too often ascribed too great an importance to the stability of existing regimes in the area and not enough to support for freedom, democracy and the aspirations of the people who live in those countries. Does the Foreign Secretary believe that the same criticism could apply to recent British policy in the middle east?

Mr. Straw: First, it was a terrific speech. I hope that when I see Secretary of State Condoleezza Rice tomorrow, I can tell her that it has the approbation of all parties in the House of the Commons.

Mr. Keith Simpson (Mid-Norfolk) (Con): Does the right hon. Gentleman agree with it?

Mr. Straw: Yes, I agree with it as well.

We should pay tribute to Secretary of State Rice for the reflective and self-critical style that she adopted in that speech. Yes, it is also the case in the United Kingdom—although I could point to this speech and that speech in which we have called, perhaps at an earlier stage, for greater and faster implementation of democracy—that we have assumed that our interests are best served simply by stability and have not looked behind it at the inherent strength of the relevant regimes. On both sides of the Atlantic, we must now bear it in mind that the only genuine guarantor of Governments' stability is whether they are democracies.

Alistair Burt (North-East Bedfordshire) (Con): There is no doubt that, in the context of his history and that of his party and his nation, the stance taken by Prime Minister Sharon is immensely brave and deserves the fullest encouragement. Has the Foreign Secretary been made aware of any requests from Prime Minister Sharon for international support in exercising the practical aspects of the process of disengagement? If international community assistance in that exercise were requested, what would be the British Government's response?

Mr. Straw: There is a great deal of international support in Israel and, more particularly, in the occupied territories. At the moment, the USA is leading the international effort, in which the Israelis have a great interest, both in respect of security in the occupied territories through their appointment of General Ward, and of the Quartet programme through President Bush's appointment of Jim Wolfensohn, the recently retired president of the World Bank. Typically, there has been resistance in Israel to outside assistance in regard to the territory of Israel, although plainly international assistance has always been wanted within the occupied territories. However, if there are any requests from the Government of Israel, we and our partners stand ready to accede to them.

Joan Ruddock (Lewisham, Deptford) (Lab): My right hon. Friend will be aware that in the judgment of Israel's chief justice on the legality of the evacuation of Gaza, he said that the settlements could not be permanent because the land had been seized in war in Gaza and the west bank. Does my right hon. Friend agree that that important statement should give new impetus to all the signatories of the Geneva convention to oppose the existing settlements and, in particular, the continuing expansion of settlements on the west bank?

Mr. Straw: We are opposed to the expansion of settlements on the west bank. We do not regard the building of settlements outside the borders accepted by the United Nations as lawful. That said, however, the decision taken by Prime Minister Sharon and his Government to end the settlements in Gaza and four settlements in the northern part of the west bank was an immensely courageous act. I am desperate for the withdrawal to succeed and for us to see in Gaza the beginning of an independent Palestinian state capable of running its own affairs, so that we can get back to the road map. The road map lays down a detailed programme in three separate phases, not just for protesting against the settlements but for negotiating a permanent solution—in which, yes, there will be a trade in terms of land and territory. Most Israelis I speak to, including those in the Government, accept that. Such a solution will also inevitably take account of how things have changed since 1967.

Mr. Keith Simpson (Mid-Norfolk) (Con): May I probe the Foreign Secretary a little further on relations with Hamas? He has said that the Minister for the Middle East, the hon. Member for Pontypridd (Dr. Howells), confirmed in a written answer to me yesterday that the Foreign Secretary

"authorised working-level contacts with Hamas elected representatives who were not directly implicated in violence on 21 February 2005."—[*Official Report*, 20 June 2005; Vol. 435, c. 741W.]

Does "not directly implicated" mean that they were indirectly implicated? If so, does not that contradict the Foreign Secretary's earlier robust statements about Hamas? For example, on 14 December last year, he told the House that members of Hamas were "desperate, horrible terrorists." The following day, he confirmed that there was an EU-wide ban on anybody talking to Hamas. Has Government policy towards Hamas changed?

Mr. Straw: I hope that it is appropriate to say that congratulations are due to the hon. Member for Mid-Norfolk (Mr. Simpson) on his appointment to the Conservative Front Bench—*[Interruption.]* Well, it could be a leadership bid, as everyone else seems to be making one—*[Interruption.]* Anybody else? Mr. Speaker, perhaps you could invite Conservative Members who are not standing for the leadership to put up their hands. [HON. MEMBERS: " Five!"] There are five.

When we used the words "not directly implicated", we also meant that there was no evidence that those people had been involved in violence. I understand why the hon. Gentleman and others have suggested that there might be some contradiction in our approach, but there is not. I am clear that the approach that I enunciated to the House in November is the correct one. As this is the hon. Gentleman's first outing, at least as a shadow Foreign Minister, I shall say to him gently that we have been a great deal more consistent than the shadow Cabinet. I merely draw the House's attention to remarks made by the hon. Member for Rutland and Melton (Mr. Duncan), who I believe is now Secretary of State for Transport—[HON. MEMBERS: "Shadow."] I mean shadow Secretary of State. On 14 October 2003, he urged me

"to develop direct contacts with organisations deemed to be terrorist."

He went on to say that it might even

"be useful to talk to Hamas and Islamic Jihad." [*Official Report*, 14 October 2003, Vol. 411, c.5.]

Michael Fabricant (Lichfield) (Con): But he is an Arabist.

Mr. Straw: For the sake of better accuracy in *Hansard*, I will repeat what the new Parliamentary Private Secretary to the hon. Member for the hon. Member for Mid-Norfolk just said: "But he is an Arabist." *[Interruption.]* Now the hon. Member for

Buckingham (John Bercow) says that the hon. Member for Rutland and Melton is unsound on these matters. Whether he is an Arabist or unsound, the hon. Gentleman is still a member of the shadow Cabinet.

Kashmir/Jammu

9. **Paul Rowen** (Rochdale) (LD): What progress has been made in negotiations between Pakistan and India on Kashmir and Jammu. [5703]

The Minister for the Middle East (Dr. Kim Howells): We welcome President Musharraf and Prime Minister Singh's recent declaration that the peace process is "irreversible".

Some confidence-building measures have already been taken, such as the provision of a bus service between the divided parts of Kashmir, and some political leaders from Indian-administered Kashmir have visited Pakistani-administered Kashmir and Pakistan. We welcome those and other steps to help find solutions to all outstanding issues between the two countries.

Paul Rowen: Does the Minister agree that lasting peace will come to the region only when those on both sides of the line of control are involved in the dialogue? Will he speak to the Indian Government, who I understand are not prepared to accept a reciprocal visit from Pakistan and Azad Kashmir?

Dr. Howells: I appreciate the hon. Gentleman's wish to assist progress, but I do not think his suggestion is very helpful. We will not be partisan; we will allow those countries to do what they are already doing, which is making good progress, speaking to each other bilaterally and speaking to other interested parties.

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): Will my hon. Friend join me in paying tribute to the former Member of Parliament for Rochdale, Lorna Fitzsimons, who has done a huge amount of work on Kashmir—especially during the last Session, when she chaired the all-party parliamentary Kashmir group? To advance the confidence-building measures, will he also declare that the people of Kashmir must be involved in discussions on both sides? The discussions must not involve just the Pakistani and Indian Governments.

Dr. Howells: I certainly join my hon. Friend in paying tribute to the excellent work done by our former hon. Friend when she was in Parliament. She succeeded in another respect: she managed to get Kashmir and Jammu into our party's manifesto. The Liberal Democrats did not mention it once.

There can be no agreement without the involvement of the people of Kashmir. They must be tested and their opinions must be sought. That must contribute to the final resolution of this difficult issue.

Miss Anne McIntosh (Vale of York) (Con): We welcome the bus route access that has been provided across the line of control for the first time since 1947. We also fully support the ongoing discussions between India and Pakistan. Is the Minister aware of his Government's commitment to calling for an end to external support for militants in Kashmir and an improvement in human rights there? What progress has been made on those two issues?

Dr. Howells: I congratulate the hon. Lady on her new position. It is good to see her there. There is no one sitting behind her at the moment, but no doubt shortly there will be a rush to fill the vacuum.

I entirely agree with the hon. Lady that we must at all times reiterate our belief that upholding human rights and exhorting all parties to respect them is central to any debate on this issue and to any progress that can possibly be made.

Saddam Hussein

10. **Gordon Banks** (Ochil and South Perthshire) (Lab): If he will make a statement on the Government's policy on the trial of Saddam Hussein and the possibility that he may be sentenced to death. [5704]

The Minister for the Middle East (Dr. Kim Howells): The trial of Saddam Hussein is a matter for the Iraq special tribunal. We have provided training for the tribunal legal experts and we expect that they will give him a fair trial.

It would be wrong to speculate on the outcome of trials but our opposition to the use of the death penalty is well known. We have urged Iraq to abolish the death penalty on a number of occasions.

Gordon Banks: I thank the Minister for his answer but, recognising that there still exists in Iraq resistance to the current Iraqi Administration and to coalition troops, does he believe that, should the Iraqi Government seek the death penalty in the trial of Saddam Hussein, they risk making him a martyr, provoking the remaining insurgents and subsequently causing an increase in the number of attacks in Iraq?

Dr. Howells: I can only say to my hon. Friend that we will continue to make representations to the Government of Iraq, as we do to other countries and their elected Governments, that we oppose the death penalty. We do not see it as part of a modern civilised state.

Mr. Andrew Robathan (Blaby) (Con): In answer to questions that I tabled last year, the Government told me that they would not assist the trial of Saddam Hussein because of the death penalty. Can the Minister confirm that that is right? If it is, can he explain the logic behind that? We went to war to depose a ghastly dictator who was responsible for the deaths of hundreds of thousands of people, at a cost of billions of pounds and, more important, the lives of 80 British servicemen, thousands of Iraqis and thousands of Americans, yet we will not assist the trial of that dreadful man.

Dr. Howells: We are giving calibrated assistance—I believe that that is the technical term—and we shall certainly not oppose such a trial, but I reiterate that we are opposed to the death penalty. I hope that the hon. Gentleman will make such representations, too.

European Union (Finances)

11. **Stephen Hammond** (Wimbledon) (Con): If he will make a statement on the future finances of the European Union. [5705]

The Minister for Europe (Mr. Douglas Alexander): Yesterday, the Prime Minister set out to the House the UK position during the European Council discussion on future financing last week. The UK has long argued that the negotiation to set the EU budget from 2007–13 is an opportunity to reform EU expenditure to provide an appropriate future financial framework. The proposal on the table last week manifestly failed to do that. The failure last week to reach agreement provides an opportunity to look again at the structure of EU spending in the light of the contemporary challenges facing the Union.

Stephen Hammond: Reading through the Prime Minister's statement yesterday, the House will have noticed that, in the decade to 2003, the UK paid a net contribution of €23.6 billion more than France, and without our rebate it would have been €30 billion more than that. In the House last week, the Prime Minister said that he was prepared to negotiate the rebate but not to negotiate it away. Can the Minister give some clarity about how much that rebate would have fallen by in the past decade had we been negotiating it away?

Mr. Alexander: I assure the House that those discussions took place in the context of the statements that we made prior to the Council, when we said first, that we believe the rebate to be fully justified, and secondly, that we were willing to use the veto if necessary and as appropriate to defend Britain's national interest. As it transpired, it was not necessary to exercise the veto as we were joined by a number of other countries in rejecting the proposal that was tabled by the EU presidency. However, we were clear in the negotiations on Thursday and Friday in Brussels about the need for there to be a clear and categorical link between the British rebate and the fundamental reform of expenditure across the European Union, which would, of course, include the issue of the common agricultural policy, which largely accounts for the very significant receipts received by France, to which the hon. Gentleman referred.

Kelvin Hopkins (Luton, North) (Lab): I thought that the Prime Minister's statement yesterday was a breath of fresh air in the long ongoing debate about European finances. If we can succeed in replacing the common agricultural policy, that will be beneficial not only to Europe but, more important, to poorer countries, particularly those that export agricultural products. Would they not also benefit if we replaced the European aid regime and repatriated aid? For a long time, the Department for International Development has felt that if aid were distributed through its own budget, it would be more efficient and well directed than it is through the EU budget.

Mr. Alexander: Before I heard his questions, I thought that my hon. Friend was going to offer his good wishes to the Prime Minister and inquire whether there were any positions for Parliamentary Private Secretaries in the Foreign Affairs team, but in light of his specific question I fear that I will have to disappoint him. The Council of International Development Ministers that took place just a couple of weeks ago in Brussels makes a powerful case for how the European Union can act as a catalyst and as a force for good in the world. We saw an increase in commitments from the EU from $40 billion to $80 billion by 2010. That shows the scale of commitment not just of the British Government—we have an honourable record in increasing the money spent on international aid—but of member states throughout the European Union. It also sets a very challenging and a rich opportunity that the G8 can develop at the meeting in Gleneagles on 6 to 8 July, and it shows powerfully that if we work together at EU level we can increase our influence and do good in the world.

Rev. Ian Paisley (North Antrim) (DUP): In the House yesterday, the Prime Minister told me that there was no reason why individual Governments could not subsidise agriculture. Given that such subsidising is impossible under current European rules, do his Government now intend to change the rules? Will he consider making the rebate once again the Government's responsibility, so that farmers get direct payments from the Government?

Mr. Alexander: The question rather anticipates further conversations that are needed at an EU level. In Brussels on Thursday and Friday, we were looking for a clear commitment to reform, not least given the fact that 40 per cent. of the EU budget—as many in the House are now aware—is spent on agriculture, which accounts for only 5 per cent. of the EU's population and about 2 per cent. of its output. We believe that there is a case for fundamental reform, but in the first instance we need to take forward discussions with our EU partners on how to achieve that, rather than offering particular solutions at this stage to particular member states' problems.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Notwithstanding the intransigent view on the common agricultural policy adopted by the French President, is the Minister aware that French public opinion is not monolithic on this matter and that there is substantial support in France for reform of the CAP, not least from the Parti Socialiste? What steps are this Government taking to get their message across to European public opinion, in order to build support for financial reform across the EU?

Mr. Alexander: I am certainly aware that on this issue, as on so many others, neither the people of France nor people across the EU have a unified view or speak with a single voice. Public opinion clearly varies, depending on the individual circumstances of the country in question. I am also aware of the comments of the Parti Socialiste in France, following the European Council meeting. They clearly diverged from the position taken by the Elysée Palace and by others of different political persuasions in France.

On advancing this debate, as Minister for Europe I have already sought to communicate our view on the future financial perspective, and I have written a number of articles for European newspapers in recent days. We of course rely on the excellent work being done by British diplomats in our posts across the EU, and I can assure my hon. Friend that that work will continue in the weeks and months ahead.

Mr. Graham Brady (Altrincham and Sale, West) (Con): *The Government are rightly keen to cut back on* aspects of EU expenditure that are not fit for purpose in the 21st century and to direct funds to the new member states instead. Does the Minister agree that perhaps the most obvious example of waste and extravagance in the EU is the maintenance of a duplicate Parliament in Strasbourg, which costs £120 million a year to run?

Mr. Alexander: The hon. Gentleman will be aware that there are areas in which we would like the EU to secure greater efficiency. However, the tenor of his question reflects the fact that the best way to advance that case is not by allowing oneself to be discounted from the argument because of one's Euroscepticism, but by giving a clear and genuine commitment to the EU and to reform.

Iraq

12. **Mr. Edward Leigh** (Gainsborough) (Con): If the Government will press for (a) new elections to be held in the Chaldo-Assyrian and other non-Kurdish minority areas in northern Iraq and (b) the establishment of an autonomous administrative region for the Chaldo-Assyrians in northern Iraq. [5706]

The Minister for the Middle East (Dr. Kim Howells): The national elections held in Iraq on 30 January are internationally recognised. The Chaldo-Assyrians participated and won seats in the Transitional National Assembly. Regional self-government is a matter for the Iraqis to decide. The transitional administrative law guarantees the administrative, cultural and political rights of all minorities, including the Chaldo-Assyrians.

Mr. Leigh: Does the Minister accept that the Chaldo-Assyrians are one of the most fragile and vulnerable Christian groups in the middle east; that, in fact, 150,000 of them were prevented from voting in these elections; and that their position has actually got worse since the invasion? What will his Government and other Governments with a responsibility for Iraq do to ensure that, in future elections, these minority groups are indeed allowed to exercise the democratic rights over which we went to war?

Dr. Howells: I respect the hon. Gentleman's view on this matter. I was certainly not aware that such a large number of Chaldo-Assyrians were prevented from voting and I would greatly appreciate seeing the hon. Gentleman's information about that. However, the drive for an autonomous administrative region for the Chaldo-Assyrians is not Iraq-based. The Chaldo-Assyrians in northern Iraq rejected the idea of such an autonomous administrative region as they fear that it would make their community more, not less, vulnerable to attack. It now seems to be an issue that the UK-based Chaldo-Assyrians, not those in Iraq, are pursuing.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am grateful to the Minister for his reply. I attended a meeting yesterday with the high representative of the Iraqi-Kurdistan Assembly and I read the speech of Massoud Barzani, the new President of the autonomous region, in which he welcomed all the people, including the Chaldo-Assyrians, who have places in the assembly of northern Iraq. They are happy to be there and have made no demand for a separate assembly.

Dr. Howells: I am very glad to hear that. I know that my hon. Friend is very much aware of what often happens in circumstances like these when a balkanisation occurs with added, rather than fewer, tensions. Iraq can do without that.

Jury Trials (Fraud)

3.30 pm

The Solicitor-General (Mr. Mike O'Brien): With permission, Mr. Speaker, I wish to make a statement dealing with the Government's intention to implement section 43 of the Criminal Justice Act 2003. This statement is also being made in the other place by the Attorney-General.

In order to ensure that people accused of serious frauds do not escape justice, we propose to implement this provision for trial without jury in serious and complex fraud cases. It would be subject to judicial safeguards. The Government have decided that in the autumn they will seek affirmative resolutions from both Houses of Parliament in order to implement section 43. Section 43 will enable serious and complex fraud trials to be conducted by a judge sitting without a jury. The provision can operate only where the judge is satisfied that the length or complexity of the trial is likely to make it so burdensome on the jury that the interests of justice require it—subject to the Lord Chief Justice's approval in each case.

The Government gave a commitment to consult further on these issues when the 2003 Act was passed. That commitment was made good at a seminar held in January of this year, at which Opposition spokesmen, the judiciary, prosecuting authorities and the legal profession were among those represented. I am placing a record of the seminar proceedings in the Library of the House.

A protocol for dealing with lengthy trials, which was issued by the Lord Chief Justice on 22 March 2005, emphasises the need for robust and well informed case management to enable the court to focus on the real issues, and it is hoped that that approach will contribute towards reducing the length of trials. The Government consider, however, that better case management will not of itself be sufficient to confine the duration of the most complex serious fraud trials within reasonable bounds, or prevent such trials from imposing an intolerable burden on the jury. Complex and serious fraud cases can last six months or in some cases a year.

This provision is not part of a general assault on jury trial. The Government are in favour of trial by jury in the vast majority of cases where it will remain appropriate. To put it into perspective, there are around 40,000 jury trials in England and Wales annually, and this provision will affect perhaps 10 to 20 of them. The Government therefore propose in the autumn to take the action necessary to obtain parliamentary approval for the implementation of section 43, with a view to bringing it into force in January 2006.

Mr. Dominic Grieve (Beaconsfield) (Con): I am very sorry to hear the Solicitor-General's statement, which is flagrantly in breach of the assurances that the Government gave to the House as to how they would proceed on this matter. I note that a policy that I would usually expect to be run by the Home Office has been transferred to the Law Officers for implementation. One can assume only that the Government's knowledge of their own breach of faith has prompted them to use their lawyers to cover up for them I am sorry that, yet again, the Law Officers have been tainted by what I suspect is a machination coming straight from No. 10 Downing street.

At the end of the passage through the House of the Bill that became the Criminal Justice Act 2003, this issue was debated at length. On 20 November, the then Home Secretary told the House that the Government were

"prepared to agree that we will not implement the proposals set out in clause 42"—

which is now section 43—

"as amended, while we seek an improved way forward that does not rely on a single judge sitting alone.

During the debate, proposals in relation to how specialist advice and support might be offered have been made, including measures drawing on a specialist range of expertise for a jury. On Second Reading and again on Report, I said that I was not against looking at such measures, so I find no difficulty tonight in offering the opportunity to the two main Opposition parties working with the Attorney-General, the Serious Fraud Office and the senior judiciary to take a further look at how that might be taken forward."

Later, the hon. Member for North Southwark and Bermondsey (Simon Hughes) intervened to ask:

"Is it the implication of his remarks that, as a result of the Bill passing into law tonight, there will not be any serious fraud trial by a single judge in England and Wales?"

The Home Secretary replied:

"I am prepared to give that undertaking. It is part of the agreement that we retain the clause, but move forward towards looking at the alternative solutions that I have mentioned and that could be incorporated in one or other of the two measures that have either been consulted on or will come before the House in the Queen's Speech. That safeguard is appropriate. I give a binding undertaking that we will follow that agreement."—[*Official Report*, 20 November 2003; Vol. 413, c. 1027–28.]

We are now told that consultation has taken place and that the Government are set on implementing section 43 as it stands. However, there has been no proper consultation. The Solicitor-General mentioned that a seminar was held in late January. I could not attend it, but at no time was it suggested that that seminar was a formal consultation. My noble Friend Lord Kingsland was able to attend, but he was given no impression at the time of his attendance that the seminar was a formal consultation. If indeed it was a formal consultation, it departed from all established Government practice in the way that it was carried out.

I saw the minutes from that seminar for the first time this morning. If the Government thought that the seminar had discharged their undertaking in full, why were all interested parties not provided with copies of the minutes, or invited to submit further comments? Furthermore, the Home Secretary gave the assurance that the matter would be dealt with, if at all, by primary legislation, as that offered this House the opportunity to improve and amend any proposals put forward. Why has that been abandoned?

The Fraud Bill introduced in the other place would provide a perfect vehicle for this matter. Why has it not been used? The proposed changes to the fraud law, and the changes in respect of multiple offences introduced since the Criminal Justice Act 2003 came into being, have a direct bearing on the ability to shorten fraud trials. What is the basis for ignoring those changes and for trying to prevent the detailed debate that they require?

The SFO's record of conviction was extremely high until last year, with an overall average of just under 80 per cent. Will the Solicitor-General confirm that many recent acquittals have had nothing to do with juries but have been on the direction of judges? Earlier this year, the Government expressed concern at the collapse of the Jubilee line fraud trial. An inquiry was ordered to ascertain the causes of that collapse. I understand that that inquiry is still continuing. Indeed, it is suggested that the basic cause of the collapse was prosecution mismanagement of the trial process. Why have the Government elected to proceed when we do not have the benefit of that inquiry report into the trial's collapse?

The Opposition are always prepared to consider improvements to the criminal justice system. I made that point during the consideration of jury trial in the criminal justice debate in 2003, but we also believe that jury trial is a great asset and a safeguard, which ensures that it is the independent representatives of the community who find guilt or acquit in serious criminal cases, not the state. As the Government's approach is currently without any justification whatever and in breach of their undertakings to the House, I can tell the Solicitor-General that we will oppose these measures both here and in another place.

The Solicitor-General: I note that, during the hon. Gentleman's questions, he spent a lot of time talking about the process and did not really address the substance of what we propose to do.

On the process, it is complete nonsense to suggest that there is a breach of any undertaking. It is the case that my right hon. Friend the then Home Secretary made a commitment, and if the hon. Gentleman looks at the wording of that commitment, he will see that he said that we would look at these issues. It is the case that a letter sent to the hon. Gentleman and others about the seminar held on 24 January 2005 clearly stated:

"The seminar pursues that undertaking"—

the undertaking given by the Home Secretary. So it is very clear from the substance of the letter that that was what that seminar was about.

It is the case that the shadow Lord Chancellor, the noble Lord Kingsland, the noble Lord Thomas of Gresford on behalf of the Liberal Democrats, and representatives of the Bar, the Law Society, Justice, the Serious Fraud Office and Customs, as well as Lord Justice Thomas, Lord Justice Judge and Mr. Justice Field all attended the seminar. The hon. Gentleman indicated that he was unable to attend. He accepted initially, but tendered his apologises later.

It is also the case that that seminar included a full and robust discussion of the issues and that everyone at that seminar accepted that there were issues with serious fraud trials and that a way had to be found to resolve them. Those issues are, indeed, quite serious. They apply to a very small number of cases—10 to 20 a year, out of 40,000—so it is simply hyperbole for anyone to suggest that this proposal is somehow an attack on juries. It is the outcome of two decades of debate since Roskill suggested in 1986 that we should move to such a position.

The key problems are very clear. Serious and complex trials can last six months or a year. They are an intrusion into the private and working lives of jurors. They can cause great hardship and economic loss—many jurors seek, and are granted, excusal—and they lead to concerns about the representative nature of juries in some cases. Juries are faced with the quite extraordinary physical and mental tasks of listening to often complex and obtuse evidence. Some fraud trials involve the explanation of interlinking transactions, involving complex financial instruments and often occurring over a number of years, and detailed cross-examination, requiring constant cross-references to documents and records. That is tough on any juror.

Judges can read much of the background material and agreed evidence much more quickly, so some of those trials can be properly shortened without compromising justice—indeed, possibly leading to a higher level of justice because the complexity of some of those cases can be considered. Prosecutors sometimes have to split trials into two or more separate trials to make them manageable and comprehensible to juries. Thus the full criminality of such fraud is not always exposed. There is also the risk that, to reduce complexity, prosecutors are sometimes tempted to reduce the number of charges to make it easier for jury trials to take place. That itself is unsatisfactory because it does not enable the full complexity of the criminality to be exposed. Judges can deal with such cases more quickly. The hon. Gentleman's objections are not accepted by the Government. He said that the House has not had the opportunity to debate the issues, but resolutions will be put before both Houses and there will be full opportunity for debate at that stage.

The hon. Gentleman asked me to confirm that acquittals were often at the direction of the judge. Yes, that certainly is the case. However, I disagree with his figure for the past five years; the Serious Fraud Office's conviction record was about 70 per cent. Stephen Wooler is indeed looking into the background of the Jubilee line trial and will no doubt make his report in due course, but the House needs to know when the Government have made a clear decision. The Government have made a decision, and I remind the House that this is a power for the courts, not a requirement. As I made clear throughout my statement, the Government want jury trials to continue in the vast majority of cases. The provision will apply only to a very small number of serious and complex fraud trials.

Mr. Robert Marshall-Andrews (Medway) (Lab): The Minister implies by his opening remarks that as a result of jury trial people are being acquitted who would otherwise be convicted, which runs wholly contrary to the statistics, as he knows. Will he amplify that point and let us know which trials he has in mind—he need not identify them by name—where that occurred?

Will the Minister tell the House how far in advance of the collapse of the Jubilee line trial were his office and the office of the Attorney-General informed of the serious and unique difficulties that had occurred, and what did he or the Attorney-General do about it?

In respect of the seminar about which we have been told during this debate, many Labour Members in both the House and the other place spoke against the measure

[Mr. Robert Marshall-Andrews]

and voted against it or abstained because they were gravely concerned about it. How many of them were invited to the seminar, and who were they?

The Solicitor-General: I have set out the reasoning behind the decision. Contrary to my hon. and learned Friend's suggestion, I did not base my argument on the rate of acquittal. I was careful not to do that; I actually based it on the length, complexity, costs, dangers and risks—for example, that a juror or jurors can become ill during a trial and proceedings can be frustrated. There is a series of reasons why trials last longer because they are conducted before jurors. All the background information must be carefully set out—issues that could be dealt with and resolved much more quickly by judges at a substantial saving to the taxpayer but, more than that, with an increase in the justice that is done because the complexity of the crime can be revealed.

My hon. and learned Friend asked when the Law Officers were informed of certain matters relating to the Jubilee line case. He will be aware that I was not a Law Officer at the time that some of those matters were dealt with, so I will check and write to him on that matter.

When my hon. and learned Friend reads the report that I have placed in the Library, he will be aware that a substantial number of Labour Members attended the seminar. Yes, they were Ministers, but the views of the Labour party were represented.

Mr. David Heath (Somerton and Frome) (LD): Will the Solicitor-General comment on the constitutional propriety of Law Officers bringing forward an order of such contention, especially given the fact that the Government were defeated on the matter in the last Parliament? Is it appropriate for Law Officers who have control of the prosecuting authorities to determine how a prosecution is to be heard in court?

On the so-called inter-party discussions, I note the fact that several Ministers were present, but I can assure the Solicitor-General that there were no Conservative or Liberal Democrat Front-Bench spokesmen on home affairs or constitutional affairs, so they were not inter-party discussions but a discussion between the Attorney-General and some chums from the Lords. Can we therefore assume that we cannot rely on a solemn and binding undertaking given both privately and in the Chamber by a Cabinet Minister—in this case a former Home Secretary?

Baroness Scotland gave the further undertaking that there would be linkage with the Law Commission's recommendations on multiple offending and further work on corruption, so what has happened to that linkage? What consideration has the hon. and learned Gentleman given to the Criminal Bar Association's 10-point plan to reduce the length of trials, which builds on the work already undertaken by the Lord Chief Justice?

The Jubilee line case has been mentioned. Is it not true that a juror interviewed after the collapse of that trial said:

"It wasn't too complex at all. We understood every single thing"?

Is it also not the case that Chris Newell, the casework director for the Crown Prosecution Service, in defending jury trials in complex cases, said that it was clearly in the public interest to bring such cases before a court and jury? Are we to take it that the Law Officers do not agree with the CPS in this respect?

Many Opposition and Labour Members believe that a jury is the best way of determining the honesty or dishonesty of the accused, and many will agree with the Labour party's former Attorney-General, Lord Morris of Aberavon, when he said:

"I am fundamentally opposed to tampering with the right to trial by jury—either at the instigation of the prosecution or the defence."—[*Official Report, House of Lords*, 19 November 2003; Vol. 654, c. 1948.]

Liberal Democrats will resist the loss and erosion of jury trial, whether that is done by primary or secondary legislation.

The Solicitor-General: I fear that the hon. Gentleman doth protest a little too much. First, he and his party were represented at the seminar. He talked about the constitutional propriety—as he uncharacteristically and a little pompously put it—of the Law Officers bringing the matter forward. The legislation was passed by Parliament and the House will have an opportunity in the autumn to debate the resolutions properly. I am happy to offer any hon. Members who wish to attend a briefing about the implications of all this. *[Interruption.]*

Mr. Speaker: Order. Hon. Members should not interrupt these proceedings. Members of the Liberal Democrats and Her Majesty's official Opposition often ask Ministers to come before the House, so they should not be interrupted in such a way. Has the Solicitor-General finished?

The Solicitor-General: Not quite, I am afraid, Mr. Speaker. I was asked quite a lot of questions and I am attempting to do the House the service of answering them. *[Interruption.]*

Mr. Speaker: Order. I have just given an instruction. The hon. Member for Buckingham (John Bercow) had better behave himself. He has been like this all day—it must be something he took for his breakfast this morning.

The Solicitor-General: Thank you, Mr. Speaker. As long as it was for breakfast and not for lunch.

The Government want the vast majority of cases, including the vast majority of fraud cases, to be tried by jury, so that will continue to happen. We are considering only the most complex cases and have put in place a whole series of important safeguards following the debate in Parliament. First, the prosecution will have to make an application to the trial judge. That judge will have to be satisfied under the legislation that the case is so complex and serious that the interests of justice would be satisfied only by a proper trial. The trial judge will examine the circumstances of the case after the initial application and take a view, but only—this will apply in each and every case—after consultation with the Lord Chief Justice or such other judge as is designated by him.

This debate has been going on for some time because 20 years ago Lord Roskill's fraud trials committee commented:

"While petty frauds, clumsily committed, are likely to be detected and punished, it is all too likely that the largest and most cleverly executed crimes escape unpunished."

One of Lord Roskill's recommendations was that the most complex fraud cases should be tried without a jury. The Government examined the matter again in 1998, carried out an exercise and reached the same conclusion, as did Sir Robin Auld's review of the criminal courts in 2001, which referred to the

"burdensome length and increasing speciality and complexity of these cases"

that puts

"justice at risk".

I also note that the hon. Member for North Southwark and Bermondsey (Simon Hughes) commented during the debate that he, too, was concerned about the nature of complex jury trials. Although he wanted to see a way of keeping juries, he recognised that some change needed to be made to the whole process. Judges will have a power to examine particular cases. It is a power that will be used in only a few cases.

Keith Vaz (Leicester, East) (Lab): I understand my hon. and learned Friend's frustration at the length of trials, but is it right that a fundamental principle of justice should be removed because of the proceedings at a seminar? Is it right that the process should have proceeded in such a way without even more detailed consultation? My hon. and learned Friend mentioned the Lord Chief Justice's protocol of 22 March; is he telling the House that the Lord Chief Justice has given his consent to these proposals? If he has not done so, what consultation has taken place outside the confines of the seminar with the senior judiciary about this important change? It seems that this is yet another victory for the Home Office over the Lord Chancellor's Department and the Law Officers.

The Solicitor-General: We have a manifesto commitment that states:

"We will overhaul laws on fraud and the way that fraud trials are conducted to update them for the 21st century and make them quicker and more effective."

We are implementing part of that manifesto commitment, on which my hon. Friend, too, stood.

We are not changing things as a result of a seminar. The seminar was as a result of a full debate in Parliament, which resulted in legislation being passed. There is an Act that contains section 43. It was with the agreement of the Government that we would have a resolution of both Houses to bring that legislation into force. There will be a proper debate about these resolutions. It is the case that Parliament has made a decision that the legislation should be on the statute book. It will be Parliament, if it decides to do so, which will implement it in due course.

Mr. Edward Garnier (Harborough) (Con): Will the Lord Chief Justice give his approval in open court?

The Solicitor-General: It is a matter for Parliament to decide what this legislation is. Parliament has passed legislation. I am not sure that the hon. and learned Gentleman is really suggesting that he wants the Lord Chief Justice to engage in a debate on whether Parliament has the right to pass legislation.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): My hon. and learned Friend will be aware that I, too, stood on the Labour party manifesto, when there was nothing at all in that manifesto about doing away with jury trials in any particular or for any category of case. Does my hon. and learned Friend accept that it is not necessary to be a lawyer or a white-collar criminal, or even both, to be concerned about taking away the right to jury trial, even in a fraction of cases? While my hon. and learned Friend's argument about the length of cases may have some merit, his further argument that cases are too complex and that juries are too stupid is a dangerous precedent to state. It is the poorest in our society and black ethnic communities who place most value on the right to trial by jury. Even though it is a handful of cases, a dubious precedent may well be set.

The Solicitor-General: I may have misinterpreted the question of the hon. and learned Member for Harborough (Mr. Garnier).

Mr. Garnier: Shall I ask it again?

The Solicitor-General: I am not asking the hon. and learned Gentleman to do so. The Lord Chief Justice will make a decision on how he makes it publicly clear that he gives his approval in individual cases.

As for the question asked by my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), I am not suggesting—at no stage would I suggest—that juries are unable to deal with very complex cases. They often deal with complex cases, and will continue to do so. It will be in the case of only very lengthy and extremely complex cases—the most complex cases, a small handful or just more than that; we estimate up to 20 a year, and it probably will be well under that number—where there will be some difficulties. The types of problems that arise are not those that my hon. Friend suggests. Sometimes, to enable jury trials to take place and to put the issues properly to the jury, prosecutors have had to split cases and have two trials instead of one. There is also a temptation for prosecutors to undercharge to ensure that the case does not become too complex. To avoid such problems, to ensure that the full criminality of the issue is examined, and to ensure that justice is done we have introduced the proposals.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Many of us who have been involved in long fraud cases believe that it is possible to address the question of length and complexity by even better case management and by ensuring that the counts on the indictment are limited in number, that the evidence is confined to the central issues, and that a general charge of conspiracy is avoided.

The Solicitor-General: In many instances, it will be possible by means of case management to deal with relatively complex cases. On 22 March, new proposals

[The Solicitor-General]

were introduced by the Lord Chief Justice to see whether we could use case management techniques to deal with some of these cases. However, the Government believe that the most complex cases need to be dealt with differently and that better case management alone will not suffice. The right hon. and learned Gentleman identified the problem in his question. He said that we should limit the counts on the indictment, which would prevent the full criminality of the issue from being exposed before a jury. The seeds of the problem are evident in his question, as he is asking prosecutors to limit the extent of criminality so that it can be put before a jury. We want the full criminality to be exposed and justice to be properly done.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Adhering to jury trials is an extremely lofty principle for the Minister, but does he agree that the vast majority of City fraud is perpetrated by the very rich robbing the filthy rich, then pursuing justice at the taxpayer's expense? Does he share my experience of many council estates where robberies, I am afraid, are commonplace? When people lose their tellies and their cars the police come along and give them a crime number, which they are supposed to take to their insurance company. Most of my constituents on those estates, however, do not even have an insurance company. I suggest to the Minister that the way to get rid of these cases is to give people a crime number and let them get on with it.

The Solicitor-General: My hon. Friend has identified a problem, as all too often blue collar crime is prosecuted because it is straightforward. The full criminality of white collar crime, however, may not be exposed because of its sheer complexity and the use of complex financial instruments. Split trials and a particular charging technique may be required, with the result that the whole issue is not properly exposed. It is a matter of justice, and of ensuring that white collar crime is dealt with as well as blue collar crime.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Solicitor-General was careful in an earlier answer to say that the proposal does not have anything to do with conviction rates. Why, then, did he begin his statement with the words:

"In order to ensure that people accused of serious frauds do not escape justice"?

He says that the Government are in favour of trial by jury in the vast majority of cases, where it will remain appropriate. Should that not be in all present cases where it remains appropriate? Some of us believe that this is the opening shot in a great assault on the time-honoured principle of trial by jury.

The Solicitor-General: The House has already agreed that in cases where jury nobbling is an issue it may be appropriate that juries do not continue to be used. That was dealt with in the 2003 legislation, so the issue has already been looked at by the House. As for my suggesting that it is not about conviction rates, I said that it is about the complexity of the cases. I am concerned that the full complexity of cases is not always exposed to the eyes of the public because of the need, as the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said, to limit the number of counts in a case. To ensure complete examination of all the issues, we must ensure that the full raft of criminality and its complexity is subject to a single trial so that justice can be done. The criminality must be considered in all its complexity, and should not be simplified with split trials so that it can be more easily managed by juries.

Mr. Brian Jenkins (Tamworth) (Lab): I thank my hon. and learned Friend for the statement today and the promise of a debate in the near future. I shall not speak on behalf of lawyers. I am not one, and there are enough Members present with that interest in mind. With regard to juries and the people whom I represent, does my hon. and learned Friend understand that—and when we have the debate, will he take cognisance of the effect that it would have on a small company—if one person were taken out of the company for 12 months, or if the person ran the company himself, that would have a bad effect over those 12 months? Would all jurors have the right to decline jury service if it would have an effect on their living? If they did that, would not juries then be self-selecting, and would not that undermine the very essence of a jury trial?

The Solicitor-General: My hon. Friend identifies a key problem with some serious and complex fraud trials. If they are likely to last six months or a year, many people will suffer enormous economic and personal injury if they have to serve on a jury throughout that period. Most juries are in panel for a two-week period. In serious fraud trials the period can be much, much longer and the economic damage that that can cause to companies and individuals is serious.

It is important that we ensure that these cases are dealt with in a way that leads to proper justice being done. I am satisfied that the proposals that will be put forward by the Government will ensure that. There are safeguards and limits to undue use of the power. It will be for the judges and the Lord Chief Justice to look at each individual case and to be satisfied that it is necessary to try it without a jury.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I do not know what it is about the Government and jury trials—they seem to get so angry about the idea that ordinary people can make a decision about the future of somebody defending a case. Will the Minister deal with the comments of my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) about the problems of case management? The Minister implied in his response that it was a quantity issue, rather than a quality issue. He said that if we got rid of juries, prosecutors would no longer under-charge. Presumably he means they will over-charge—they will put more and more into the indictment, making the case even more complex and leading to a longer trial with less likelihood of prosecution leading to a fruitful result. Why, when the Minister has a problem with complexity, does he focus on the jury, not on those who brought the case in the first place?

The Solicitor-General: The right hon. Gentleman's hyperbole about jury trials ignores the fact that out of 40,000, we are dealing with up to about 20 a year. It is utter hyperbole to suggest that this is a general attack on juries. In many serious fraud cases, case management will be of assistance. We warmly welcome the proposals by the Lord Chief Justice on 22 March this year to help with that process, but in a small number of cases it is necessary to look at the quality of the trial and the issue of—

Mr. Duncan Smith: Why pick on juries?

The Solicitor-General: I hear the right hon. Gentleman shouting from a sedentary position. Perhaps he could keep himself under control. We are not moving towards a position of over-charging. We are recognising the serious criminality that some white collar crimes expose. Up to now we have not been entirely successful in ensuring that the full complexity is recognised and dealt with by courts. There will be no over-charging. There will be proper charging. The right hon. Gentleman ought to be in favour of that and in favour of catching the criminals.

Mr. Quentin Davies (Grantham and Stamford) (Con): This is a very bad day for the liberties of the subject and for the reputation of British justice. I fear that the fact that the Minister has already sought to defend his proposal on the grounds that some inroads have already been made into the right to jury trial in the context of jury nobbling means that it is true that the proposal is part of a teleological, deliberate and conscious decision steadily to erode the right to jury trial. The Government have condemned themselves by trying to force through the proposals before Parliament has seen the results of the inquiry into the Jubilee line fiasco, which might well show that the judge failed to manage the case in a timely and businesslike fashion, or that the prosecuting counsel failed to master the brief and present it sufficiently succinctly. We are being asked to take a view before the evidence is available, which is scandalous in itself. Is the Minister not aware that the Americans—

Mr. Speaker: Order. I am going to stop the hon. Gentleman, who has not asked a question. *[Interruption.]* Maybe he is getting round to it—I will call him the next time the Solicitor-General makes a statement.

Simon Hughes (North Southwark and Bermondsey) (LD): Will the Solicitor-General re-examine the clear undertaking given by the previous Home Secretary to me in the debate on 20 November 2003, when he said that a way could be found by agreement to bring back powers in principal legislation after serious discussion across the parties? Will he say that it is unacceptable to take these powers by affirmative resolution? One seminar for a couple of hours in the House of Lords does not count as consultation across the parties in Parliament. The situation is unacceptable, and I formally ask the Solicitor-General to look again.

The Solicitor-General: I will not "look again" in the sense suggested by the hon. Gentleman. Opposition spokespersons were invited to attend that particular seminar to discuss their proposals, and my right hon. Friend the then Home Secretary said that we would examine the issues, which we have done. The affirmative procedure is not unacceptable, because, following discussions, the House decided that the matter would be brought forward by the affirmative resolutions of both Houses. The matter will be properly debated in the House in the way understood at the time—I, too, have read the hon. Gentleman's speech in *Hansard*, and we disagree on its interpretation. We have delivered on the then Home Secretary's proposal—I am sorry that the hon. Gentleman is dissatisfied, but we have done it. The reality of the situation is that we are hearing a lot of hyperbole about 0.05 per cent. of jury trials.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Is the Solicitor-General aware that I served on a jury at the Old Bailey in a murder trial earlier this year—I may have been the first Member of this House to appear at the Old Bailey, at least in the jury box? All my fellow jurors took their task immensely seriously and meticulously studied the highly complex evidence. Will he say why juries are not capable of mastering the complexity of a fraud trial, when they are perfectly capable of dealing with a charge as serious as murder?

The Solicitor-General: I did not know that the hon. Gentleman had served as a juror in a trial earlier this year. We owe a great debt to everyone who serves as a juror, and I thank him and all other jurors for their work as citizens. Jurors take the issues seriously and, as a lawyer, I have seen jurors take a serious interest in cases and manage complex issues. With respect, however, that is not the point. No one is suggesting that juries are a bad way of making decisions. Indeed, we want the vast majority of cases, including many complex cases, to continue to be dealt with by jurors, but for the past two decades judges and others have said in report after report that we have a serious problem with a tiny percentage of cases—0.05 per cent. We cannot continue to ignore the seriousness of such fraud cases and to allow justice not to be done, and we must introduce a system that enables justice to be done in serious and complex cases.

John Bercow (Buckingham) (Con): Surely the real problem is not with juries but with lawyers. I put it to the Solicitor-General, whose statement I personally found thoroughly unpersuasive, that the real challenge is for lawyers more effectively to distil their arguments and present their evidence. On a personal note, as one who admires the Solicitor-General, the way in which he sniffily dismissed the expressions of concern from Members on both sides of the House and was so manifestly patronising and arrogant towards my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) did a Minister of his great experience no credit whatsoever.

The Solicitor-General: I did not notice that the right hon. and learned Member for Sleaford and North Hykeham was particularly put down. Having known him over many years, I think that it would take far more than humble me to achieve that.

[The Solicitor-General]

The hon. Gentleman, like the right hon. and learned Member for Sleaford and North Hykeham, almost crystallises the problem. He says that it is all the fault of lawyers who do not put the case properly or distil it properly. Such cases are often very complex and difficult, and what sometimes happens now is that they are simplified in a way that prevents the full complexity of the injustice and criminality from being exposed. The problem is that lawyers are continually trying to do that distilling process, and we must ensure that the full nature of the issue is not prevented from being exposed. We need to create a situation in which the complexity can be dealt with and justice can be properly done.

Jeremy Wright (Rugby and Kenilworth) (Con): Although I accept that the number of cases that the Solicitor-General is talking about in this context is very small, does he not accept that the difficulty with this proposal is that the arguments that he is deploying can be used to justify the removal of jury trial in a large number of other cases? Arguments of complexity and length apply to more than just serious fraud trials.

That is the first thing that is dangerous. Does the Solicitor-General accept that it is also dangerous to include reference to conviction rates in a statement to justify the removal of jury trial? The fact that conviction rates do not include every case may indicate that the system is working as it should be.

The Solicitor-General: It may indicate that certain people are not guilty and therefore should not be convicted, as is of course the case. However, the hon. Gentleman is wrong to say that the arguments that I have put forward can be used to apply to the vast majority of the 40,000 jury trials that take place across the country. Many of those cases are straightforward. Many are complex. Many concern serious fraud matters but ones that can properly be put before a jury and have their complexity exposed before it.

I certainly do not accept the hon. Gentleman's proposition that in advancing these arguments I would seek further to curtail the number of cases that a jury would try. In the long term, it is our intention that the vast majority of the 40,000 cases that are tried by juries today will continue to be tried by jurors. However, we want to ensure that in all those cases the jury is able to do justice where it can, and that justice is none the less done where the case is very complex and serious enough for it to go before a judge rather than a jury.

Orders of the Day

Racial and Religious Hatred Bill

[Relevant documents: The Sixth Report from the Home Affairs Committee, Session 2004–05, on Terrorism and Community Relations (House of Commons Paper No. 165) and the Government's reply thereto, Cm. 6593.]

Order for Second Reading read.

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Leader of the Opposition and the Liberal Democrats.

4.19 pm

The Secretary of State for the Home Department (Mr. Charles Clarke): I beg to move, That the Bill be now read a Second time.

The offence had been agreed by the House twice previously: as part of the Anti-terrorism, Crime and Security Act 2001 and, only a few months ago, as part of the Serious Organised Crime and Police Act 2005. On both occasions, the relevant clauses had to be withdrawn because of timetable pressures to secure the passage of other important legislation.

Since those considerations, two significant changes have been made. First, we made a clear manifesto commitment to legislate to outlaw incitement to religious hatred and the electorate have endorsed that manifesto. We have moved quickly to fulfil the manifesto commitment. Secondly, the proposed offence is in a single-issue Bill and has not been tied to other measures. That caused some hon. Members genuine concern on the previous two occasions and we have listened to those anxieties by introducing the Bill in its current form, rather than including the provision in other legislation. Tackling the matter in a single-issue Bill will ensure that the proposals receive the detailed scrutiny that they deserve, and I hope that hon. Members of all parties will welcome that aspect of our consideration.

Some things have not changed, however. It is clear from the coverage in the media and elsewhere that misconceptions about the purpose and effect of the Bill remain and are still widespread in some areas. I therefore begin by emphasising that the Bill deals with hatred and incitement to hatred. It is about the nasty and extreme behaviour that drives people to hate others and sometimes, as the recent desecration of Jewish cemeteries shows, to turn that hatred against people and property. It is about behaviour that destroys individuals' lives and sets one community against another.

In evidence to the House of Lords Select Committee on religious offences, the Association of Chief Police Officers said that hatred stirred up by extremist groups contributed to the Bradford and Burnley riots in 2001. The Bill is intended to help tackle that sort of hatred—I emphasise "hatred".

The Bill does not stop anybody telling jokes about religion, ridiculing religions or engaging in robust debate about religion. It will not stop people from proselytising and it will not curb artistic freedom. Neither the purpose nor the effect of the Bill is to limit freedom of expression, with all the robustness that one would expect and, I would say, desire in a democracy.

There is no evidence to show that the Bill will have that effect. Indeed, the current offence of incitement to racial hatred already covers Jews and that has not stopped anyone telling jokes about Jews or criticising the Jewish faith.

Lynne Jones (Birmingham, Selly Oak) (Lab): In the past, I have voted against such a provision. Since the Government have granted an amendment to make it clear that the offence is incitement against people on the ground of religious hatred, I am happy to support the measure today. I do not believe that it prevents people from speaking out about their antipathy to specific religions. However, will the Government consider extending the provision to take into account hatred against people on the ground of their sexual orientation?

Mr. Clarke: First, I am grateful to my hon. Friend for that clear statement about her approach and the change of view that she described. If we can find a form of words during consideration of the Bill in Committee and elsewhere that provides further reassurance to my hon. Friend and others who are likeminded that freedom of expression is not inhibited, we are flexible about examining amendments to that effect.

Secondly, there are big issues to consider on sexual orientation, but I do not believe that it is appropriate to do that in the framework of the Bill. The reason that I gave earlier stands: narrow consideration of the issue is the best way in which to proceed. That does not deny the legitimacy of my hon. Friend's concern about the need to consider hatred on other bases. However, we should not draw the Bill widely.

Philip Davies (Shipley) (Con): The Home Secretary said that the Bill would have prevented the Bradford riots in 2001. That was reiterated by the Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Paul Goggins). That is not the view of people in Bradford. The hon. Members for Keighley (Mrs. Cryer) and for Bradford, North (Mr. Rooney) have also made it clear that Bill would have made no difference. Does the Home Secretary accept that the measure would not have prevented the riots in Bradford?

Mr. Clarke: May I give a little fatherly advice to the hon. Gentleman as he begins his parliamentary career? He should listen very carefully to what I actually say. I did not say—and I do not say—that the Bill would have prevented the Bradford and Burnley riots. What I did say—I shall read it out again and I urge the hon. Gentleman to listen—was that, in evidence to the House of Lords Select Committee on religious offences, the Association of Chief Police Officers said that hatred stirred up by extremist groups contributed to the Bradford and Burnley riots in 2001. I then said that it is this type of hatred that the Bill will, in my opinion, help to tackle.

Huw Irranca-Davies (Ogmore) (Lab): I do not think that anyone in the House could disagree with the laudable aims of the Bill, but will my right hon. Friend lay to rest once and for all the idea that it will stamp out proselytising, or street preaching, as it is known? Christian groups in my community applaud the ideas in the Bill, but they want an assurance that criticism and theological debate will not be stamped out. I want to be able to go back and say clearly to them, once and for all, that that is not the intention of the Bill.

Mr. Clarke: I can absolutely give my hon. Friend the assurance that he seeks. A different response might come from the Conservatives in a moment, and we shall obviously listen to what they have to say, but the fact is that the Bill will not rule out preaching, making argument or debate, or putting forward points. It deals with incitement to hatred, and that is, in my opinion, entirely qualitatively different.

Andrew Selous (South-West Bedfordshire) (Con): The Home Secretary will be aware that legislation similar to this has been passed in Australia. Will he give the House a cast iron guarantee that we shall not have a repeat of two incidents that have taken place there? The first involved a Christian pastor at a church conference being hauled before the courts. He is to be sentenced at 10 o'clock this evening. The second involves a case concerning the work of the Alpha Course in prisons in Australia; that case is also before the courts. Can we have a cast iron guarantee that such cases will not occur in the UK?

Mr. Clarke: Yes, you can. I shall come to that part of my speech in a second, but I want to deal with the question of the law in the state of Victoria now, because other people have also raised the matter with me. I have said to many people, and I am delighted to have the opportunity to say to the House, that that legislation is not the same as what is proposed in the Bill. I have briefed myself carefully on this because I was aware of the point that the hon. Gentleman has raised.

Not only is the legal system in Victoria not the same as ours, but there are huge differences between section 8 of Victoria's Racial and Religious Tolerance Act 2001 and our proposals. Section 8 makes it an offence for a person to engage in conduct which incites not only hatred against, but also

"serious contempt for, or revulsion or severe ridicule of"

another person or class of persons on the ground of religious belief or activity. That definition of words is massively wider than what we are proposing in the Bill. Additionally, the Victorian law prohibits incitement to serious contempt, severe ridicule andso on, of a religion itself, whereas the offence that I am proposing in this speech prohibits incitement to hatred of those who belong to the religion. So the threshold for the incitement to religious hatred that we propose is substantially higher than the one in Victoria; a comparison simply cannot be made between the two.

Several hon. Members *rose—*

Mr. Clarke: I will take interventions on the particular point about the comparison with the Australian law.

Mr. Graham Allen (Nottingham, North) (Lab): The law that we pass in the House will not be in a steady state. It will be subject to review and to judicial interpretation. The question of racial hatred has been extended by case law—rightly, in my opinion—to

[Mr. Graham Allen]

Jewish and Sikh people. Will not case law also extend this legislation, perhaps resulting in very different consequences from those that the Home Secretary rightly wishes to see?

Mr. Clarke: I shall again refer to something that I was going to say later in my speech, in order to address my hon. Friend's point. How will cases be prosecuted under the Bill? First, the House must be aware of the European convention on human rights, and of the protection of freedom of expression that it contains. Secondly, for a case successfully to be prosecuted, it would have to go through certain stages. I shall list them, as they pertain directly to the point raised by my hon. Friend.

First, a complaint must be made to and accepted by a police officer. Secondly, the police must investigate and acquire evidence. Thirdly, the case must be referred to the Crown Prosecution Service, which will assess it by applying evidential and public-interest tests. Fourthly, the case must be considered by the Attorney-General, who must consent to its continuation. Fifthly, in most cases it will also be considered by the Director of Public Prosecutions. Sixthly, prosecuting counsel must decide whether or not to proceed with the case. That is independent of the other stages. Seventhly, the judge must consider the case on the basis of all the elements that I have just listed. Everyone, including the Attorney-General, must have agreed that there is a case to answer, and the judge can then decide to throw the case out if it does not meet the standards set for it to proceed. Then a jury must consider the case put before it in court. If after all those steps the defendant is convicted, he or she can appeal.

I gave that list because I do not agree with the "case creep" argument advanced—with integrity—by my hon. Friend the Member for Nottingham, North (Mr. Allen). This is a narrowly defined law including a great many protections to cover people's anxieties.

Rev. Ian Paisley (North Antrim) (DUP): The Home Secretary is well aware that certain statements in the Bible and in the confessions of faith of all the Churches tell against various other beliefs. Is he telling us that those statements will be deemed to be not statements of hatred, but the personal confessions of those Churches?

The House begins its sittings with a prayer from the Book of Common Prayer. Parts of the Book of Common Prayer, such as the 39 Articles, have strong statements to make. Would those statements be considered an incitement to hatred?

Mr. Clarke: No, they would not. Although I did not know that the hon. Gentleman was going to raise that point, I think I can give him the assurance for which he asks. Statements in the Bible, the Book of Common Prayer and other faith books—the Koran, for instance—are precisely that. They are not incitements to hatred.

Mr. David Winnick (Walsall, North) (Lab): Obviously there are legitimate concerns. I would not support any measure to prevent criticism of religion: like a number of other Members, I happen to be a non-believer. Is it not the case, however, that 40 years ago there was strenuous opposition—particularly, as I witnessed, from Conservative Members—to the proposed law, which came into effect, to stop incitement to racial hatred? Time and again we were warned that it would undermine democracy, free speech and so forth, yet today not a single Member of Parliament, to my knowledge, would want a change in the law on incitement to racial hatred. It is quite likely that in years to come, this law will be no more controversial than that law.

Mr. Clarke: My hon. Friend is absolutely right, and I draw strength from that. We have drafted this Bill tightly, as the earlier legislation was drafted tightly, in an attempt to outlaw incitement to hatred. That is precisely what we should do, because the hatred that some have sought to incite, on the basis of either race or religion, is deeply destructive of every value that society possesses. I believe that it is not just our right but our duty as a Parliament to do whatever we can to outlaw such incitement to hatred.

People are genuinely worried that we may cross the line into inhibiting freedom of speech or freedom of expression. A good example was given earlier, of legislation in the state of Victoria that had been drafted much more widely than this. I hold that it is our duty as parliamentarians to ensure that our legislation is drafted narrowly so that it has the effect that we want, and in my view it has been.

Mr. Dominic Grieve (Beaconsfield) (Con): I do not follow the Home Secretary's argument that it is possible to dissociate criticism or intense dislike of a religion from intense dislike of the person who practices it. The word "hatred" simply means intense dislike. Where in the statute is the difference made clear? It seems to me that once someone intensely dislikes the religion itself and criticises it for that reason, it follows inevitably that that person intensely dislikes whoever is practising it. The only mechanism for which there will be no prosecution is the Attorney-General's discretion. We are passing very wide-ranging law, and then leaving it to the Attorney-General to restrict its scope.

Mr. Clarke: The Attorney-General, in whatever Government, is an important protection. Secondly, and more seriously, there is a qualitative difference between intense dislike, in the hon. Gentleman's words, and incitement to hatred. That is an important distinction.

Several hon. Members *rose—*

Mr. Clarke: A number of hon. Members want to intervene. I am going to give way to the right hon. Member for Maidstone and The Weald (Miss Widdecombe), make a bit more progress and then give way again.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): What will be the crucial test of an offence? Will it be that the words uttered were intended to stir up racial hatred, or will it be that, as a result of the words being uttered, an act of religious hatred followed on the part of a third party?

Mr. Clarke: Intent is the answer to that—it is the conduct of people intending to incite racial hatred.

Several hon. Members *rose—*

Mr. Clarke: As I said, I am going to make some more progress and then I will give way.

David Davis (Haltemprice and Howden) (Con): Will the Home Secretary give way?

Mr. Clarke: No. I am going to make some progress and then give way, as I said.

The European convention on human rights makes it clear that the exercise of freedoms and the right to freedom of expression are protected. When the Joint Committee on Human Rights met to consider that and reported on 1 March 2005 on incitement to religious hatred, it accepted the existence of a serious, albeit limited, problem of incitement to hatred on religious grounds. It added:

"We consider the measures proposed in the . . . Bill are unlikely to give rise to any violation of the right to freedom of expression under Article 10 of ECHR".

The considerations of that Joint Committee ought to be an important point of reference for this debate, and I hope that they will be.

Several hon. Members *rose—*

Mr. Clarke: I am going to give way in a few moments. I know a lot of hon. Members want to intervene. I will make a bit more progress and then give way.

The offence is not a new blasphemy law, despite what some critics of the Bill say. It is about protecting people, not faiths. It is there not to stop people criticising religions or the symbols of faith but to prosecute those who seek to set one community against another. It would not stop a play such as "Behtzi" or "Jerry Springer the Opera". The offence would not cover anything that denigrates a particular faith or causes offence because of ridicule. Robust debate about belief is central to the very being of this country. The Bill will not affect that in any way.

Mr. Grieve: Will the Home secretary give way?

Mr. Clarke: I will in a second.

I understand that the worries of hon. Members on both sides of the House and of people outside are genuine—I do not believe that anyone's worry is synthetic—but they are misplaced. I profoundly believe that it must be a central value of our society that no one should have to live in fear because of their beliefs. I make no apology for seeking to address that.

David Davis: The Home Secretary said in response to an intervention that it was required that the individual being prosecuted intended to incite religious hatred. Nothing in the Bill insists on that. Indeed paragraph 5(3) simply refers to

"having regard to all the circumstances the words, behaviour or material are (or is) likely to be heard or seen by any person in whom they are (or it is) likely to stir up racial or religious hatred."

That does not require any intent whatsoever.

Mr. Clarke: The Public Order Act 1986 makes the position clear. Section 18(5) provides that the prosecution must prove beyond reasonable doubt that the person either intended his words or behaviour to be threatening, abusive or insulting, or was aware that his words or behaviour might be threatening, abusive or insulting. The right hon. Member for Maidstone and The Weald asked me to choose between intent and unintended effect, if I may put it like that. That is why I answered her question as I did, but I have tried to answer more precisely in relation to the last intervention.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): The problem with interventions by Conservative Members is they are totally unrepresentative of the population as a whole in that hardly any of them are open to the kind of humiliation that many members of our communities are open to. If they were, they would not be criticising this legislation. When my right hon. Friend refers to conduct, he arouses in my mind the case of Mrs. Shahzada, a constituent of mine who went to a shop in central Manchester soon after 9/11. She wears a veil over her face, and the shopkeeper refused to serve her because she was, to his perception, a Muslim. That was hatred against an individual, not a criticism of Islam. It is about time that we had an Opposition who understood the kind of country that we live in today.

Mr. Clarke: My right hon. Friend makes his point and gives his example very clearly.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): My right hon. Friend mentioned the play "Behzti", which is often used as an example by opponents of this Bill. Would he remind the House that if that play attacks any community, it is the Sikh community, which is of course already covered by existing law, as is the Jewish community. That is yet another example of people using false arguments and not facing up to the very real prejudice—primarily against Muslims and Hindus—that currently cannot be caught by the law.

Mr. Clarke: My hon. Friend is right and her description of the issues to which that play gave rise, particularly the Sikh religion, is correct. I should make one point in mitigation, however. Many people are genuinely worried about this issue, which is why they raise it in the way that they do, whereas others are trying to be misleading. I am keen to try to lay genuinely to rest in this debate as many of the existing myths and uncertainties as I can.

Ms Celia Barlow (Hove) (Lab): While I appreciate what my right hon. Friend says about the Bill's scope on sexuality, can he assure my constituents in the gay and lesbian community in particular that they will still be able vigorously to rebut views held by other members of the community who are protected by the law? Does he agree that it would be more sensible to create a general offence of incitement to hatred that encompasses all aspects of life, not just religion?

Mr. Clarke: I agree with my hon. Friend's first comment and can indeed give her the assurance that she seeks, but I do not agree on her second question. The definition of law in these areas is so tight and so difficult that the creation of such an offence could prove too

[Mr. Clarke]

general and give rise to misunderstandings. That is why I defend the Bill's approach, which is to focus on a particular aspect of incitement to hatred. That is not to deny the existence of other hatreds, or even to deny the case for legislating against them in certain circumstances, but with respect, dealing with them in a generic way is not the best way to proceed.

Adam Afriyie (Windsor) (Con): I thank the Home Secretary for giving way. I commend the Government's motives—if they are genuine—in seeking to rid society of incitement to racial or religious hatred. However, it seems very odd that the Bill contains no definition of a religion. In seeking to lock people up for five to seven years, the Government must surely define what those people have offended against.

Mr. Clarke: Any attempt to define a religion in statute would be doomed to failure. Clause 12 of the explanatory notes sets out a number of religions that are well understood to be religions, but at the end of the day, it must be for the courts, rather than this House, to decide exactly what the definition of a religion is.

Lembit Öpik (Montgomeryshire) (LD): I have heard many of these arguments before in the context of Northern Ireland legislation, and the Home Secretary will know that many of the issues have been discussed in the specific context of the troubles. What evidence does he have to suggest that legislating against such behaviour will necessarily lead to the improvements that he describes?

Mr. Clarke: I cite the legislation on race hatred, which has existed for some time. Such legislation has changed conduct in certain respects and for the benefit of society. That does not mean that all the issues have been resolved, and I do not believe that this Bill will suddenly abolish hatred everywhere. What I do believe is that it is an important step towards where we need to go.

Dr. Tony Wright (Cannock Chase) (Lab): At the heart of these arguments is the question whether we can distinguish the beliefs from the believers. My right hon. Friend said, encouragingly, that he is prepared to look at amendments in a generous spirit. Does that mean that he is prepared to include a commitment in the Bill, stating that nothing in it will affect the ability of anyone to express intense dislike of bodies of belief?

Mr. Clarke: Actually, I think that the Bill's compatibility with the European convention on human rights, which I have asserted, goes a long way to achieving what my hon. Friend requests. In response to his specific question whether we are prepared to look constructively at proposals such as those that he suggests in Committee, the answer is yes.

Andrew Mackinlay (Thurrock) (Lab): My right hon. Friend outlined the various stages and tests that a prosecution would have to go through, and it seemed to me that the central pillar was the consent and initiative of the Attorney-General. I put it to my right hon. Friend that, while I wish both him and the Attorney-General a long time in government, we may not always have a Labour or a liberal Government. We could have a Henry Brooke-type character in office, so we need safeguards to ensure that we do not introduce a new blasphemy law. What does the Home Secretary say to those who feel intensely about the failure of the Attorney-General to prosecute such things as the "Life of Brian" film or the Jerry Springer opera? It is important to reflect both on what might happen in respect of the future incumbency of the Attorney-General and on the frustrations of those who feel that there should be a prosecution when there is not one. How would the Home Secretary deal with those problems?

Mr. Clarke: There are two answers. First, the Bill will, if agreed by the House, be enacted into law and it will then be open to Parliament to amend it in future if it so wishes. It is significant that that has not happened with respect to legislation on race hatred, which has largely been successful. Secondly, there is the decision of the Attorney-General. I agree that every one of his decisions, whether or not they lead to prosecution, could lead to controversy. I nevertheless take the view that the Attorney-General's role in the Bill as in other legislation is important to ensure that the public interest is properly protected. I obviously cannot answer for how an Attorney-General will behave 15 years down the line, except to say that he is likely to behave in accordance with the law of the land.

Mr. Robert Marshall-Andrews (Medway) (Lab): Will the Home Secretary deal with one serious difficulty? He will appreciate that many of us who are against this legislation would normally find themselves in the vanguard of those attempting to protect vulnerable minorities. The difficulty is that there is a profound difference between race and gender and religion. Our race and our gender are what we are and should be protected. Our religion is what we choose to believe. It is a system of beliefs, fundamentally and quite properly held. It seems to many here and out there that there is, in truth, very little distinction between one's religion and one's politics. People's politics are the same in being fundamentally held—

Madam Deputy Speaker (Sylvia Heal): Order. I remind hon. Members that interventions should be brief.

Mr. Clarke: I do not believe that religion and politics slide together in the way that my hon. and learned Friend suggests. Secondly, there are many people for whom an easy distinction between religion and race is not accurate. Thirdly, I return to the previous point: we are talking about incitement to hatred, and I think that such incitement on the basis of race or religious belief should be driven out. I accept that, as my hon. and learned Friend said, there are genuine concerns that there is a risk of the legislation somehow tripping into other areas of freedom of expression. I am arguing, and I believe that my case is substantial and should be supported, that the Bill does not go over that line.

Mr. Grieve *rose—*

Mr. Clarke: I shall give way one more time, but then I want to make some progress.

Mr. Grieve: What is the distinction between a political view and a religious view? Intense dislike of the British National party and its adherents is often expressed in this House, and that is considered proper enough. Why then is it considered improper to express intense dislike of a person because of his or her religious views—if, for instance, that person were a satanist? The Home Secretary will agree that we should all speak with moderation, but will he explain why that distinction should be made in that fashion?

Mr. Clarke: I think that the answer is self-evident, and I am sorry that it does not appear so to the hon. Gentleman. I believe that there is a clear difference between the set of political beliefs and values that a person holds and the religion to which he or she belongs. They are different things, and it is our duty to try and drive out incitement to hatred in those areas.

Several hon. Members *rose—*

Mr. Clarke: I said that I would make progress, but I shall give way twice more.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My right hon. Friend is right to say that many people have grave concerns about the Bill. I am a Christian, and I know that many people in the Christian lobby are very concerned about how far we are able to describe hatred. I support the Bill, and I am disappointed that many Christian organisations have stirred up so much misunderstanding. Will my right hon. Friend make sure that the element of hatred is clearly defined when the Bill is considered in Committee? That will reassure people with genuine concerns, as the Bill must be tightly drawn to ensure that people retain total freedom of speech in respect of these matters. In addition, I assure him that I do not want to have anything to do with people who are trying to defend the right to incite hatred.

Mr. Clarke: I am happy to give the commitment that my hon. Friend seeks. In Committee, we will look at any proposal aimed at providing a tighter definition of hatred in the Bill, so that we can avoid the concern that some may have. Finding the appropriate wording for that purpose will be difficult, but I am entirely open to trying, for the reasons that my hon. Friend set out.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I am grateful to the Home Secretary for giving way yet again on this very important matter. Does he consider that the Bill makes sufficiently clear the difference between an individual and a group? For example, the members of a religious group may take offence when a member of a different religious group begins to proselytise fiercely in an area. They may react by attacking the second group's religious beliefs and its members. That will be an attempt to defend their boundaries, but how can we ensure that that is not interpreted as an attempt to stir up hatred against the second religious group? Is not it the problem that intent becomes impossible to define?

Mr. Clarke: As I set out earlier, a series of decisions about how that question is answered in relation to any particular case will have to be taken before a prosecution is put in hand. Secondly, I do not want to be boring but I must return to the key to this matter—the incitement of hatred. Many people proselytise in a variety of ways. That is legitimate, and it is an aspect of our society that we should welcome. However, proselytising can turn into incitement to hatred, and that is a different thing, which we are entitled to try and prevent.

Mr. Gary Streeter (South-West Devon) (Con) *rose—*

Dr. Evan Harris (Oxford, West and Abingdon) (LD) *rose—*

Mr. Quentin Davies (Grantham and Stamford) (Con) *rose—*

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab) *rose—*

Mr. Marshall-Andrews *rose—*

Mr. Clarke: It is very flattering to have so many people wanting to get in. I shall not give way now but, as I did earlier, I give a commitment to allow several people to intervene before I sit down. I have noted the hon. Member for Oxford, West and Abingdon (Dr. Harris), and he will be glad to know that I intend to refer to him in my speech. I am sure that he will be thrilled to hear that I am due to say:

"As I made clear in response to a question from the hon. Member for Oxford, West and Abingdon . . . "

I shall try and deal with that properly when the time comes, but for now I intend to make a little progress.

The Bill seeks to address the anomaly that means that Jews and Sikhs are protected under the existing law, but that other faith groups, and people of no faith, are not protected. I think that that is simply not right and that the problem needs to be addressed.

The Bill seeks to fill a gap in the law that means that people can stir up hatred against others because of their religious beliefs. Such people may be extremists using religion as a proxy for race or nationality, but they may also be people of faith stirring up hatred of people who do not share their beliefs. That behaviour is not caught by the current set of religiously aggravated offences or by existing incitement offences. It is not only right but essential that the law should provide protection in that area.

As I have said before, legislation is not a panacea. It will not solve all the problems in our communities. We have to do a great deal of work to address those problems, using measures other than the law, but all those other things that we might do do not remove the need for this Bill.

Mr. Streeter: Will the Home Secretary give way?

Mr. Clarke: I will in a moment, as I said.

The Bill consists of just two clauses and a schedule. Clause 1 will give effect to the schedule. The schedule will amend part 3 of the Public Order Act 1986, to create offences that involve the stirring up of hatred against groups of persons on the grounds of religious belief or

[Mr. Clarke]

lack of religious belief. The Bill will therefore introduce the new offences by extending the existing law on incitement to racial hatred rather than by creating a new self-standing set of offences.

In amending the 1986 Act, the schedule deliberately does not define what amounts to a religious belief. It will be for the courts to decide what constitutes a religious belief for the purposes of the legislation. However, for the purposes of article 9 of the European convention on human rights, any religion must have a clear structure and belief system, and case law suggests that any religious belief will need to attain a certain level of cogency, seriousness, cohesion and importance. The beliefs must also be worthy of respect in a democratic society and not incompatible with human dignity.

The schedule will make a clarifying amendment to the existing offence of stirring up hatred against persons on racial grounds, to make it clear that material must be likely to be seen by someone in whom hatred was likely to be stirred up.

Finally, clause 2 makes it clear that the proposed legislation applies to England and Wales only.

Several hon. Members *rose—*

Mr. Clarke: I have said that I will give way later. I will—I am ready to deal with points on these issues—but I think that it will be for the convenience of the House if I make a bit more progress before doing so.

Section 27(1) of the Public Order Act 1986 provides that the amended racial and religious hatred offences will require the consent of the Attorney-General before prosecutions can be instituted. As I have already said, that provision, together with the high threshold of hatred, means that spurious and vexatious cases will not come to court.

That is the detail of the Bill. It is clear from previous debates and from the exchanges that we have already had today that the debate is not so much about the principle of what the Government are trying to achieve as about concerns that relate to the detailed wording of the legislation, and I am sure that that there will be considerable discussion about that.

As I have said before, I want to emphasise that, although dealing with incitement to religious hatred was a clear manifesto commitment, it is the job of Parliament to legislate, and I respect that role. We are therefore approaching this issue in an open-minded way, and I hope that the Opposition and others will also do so. We will carefully consider any suggestion for how the wording of the Bill might be improved—in particular, to address concerns about freedom of speech.

We may be able to do other things in relation to the legislation that might ease people's concerns. Such proposals might involve not the wording of the legislation itself, but practical ways in which we can ensure that it operates in the way intended. For example, that might include guidance, drawn up in consultation with all interested parties, to the police, faith groups and community leaders. It might involve looking at how the effectiveness of the offence can be monitored. I am sure that we can return to those issues in subsequent debates.

The final aspect that I want to mention is the question of blasphemy. As I made clear in response to a question from the hon. Member for Oxford, West and Abingdon during the debate on the Queen's Speech on 23 May, any reform or repeal of blasphemy must begin on a considered basis across all faiths. I acknowledge the value of the analysis and report on religious offences published by the House of Lords Select Committee in 2003. Nevertheless, if we were to take any action on this issue, we would need to consult interested parties, particularly the established Church, and examine the issues in some detail. I am happy to discuss the matter with anyone and to examine how it might be taken forward, but the Bill is not an appropriate vehicle for such a discussion.

Several hon. Members *rose—*

Mr. Clarke: I said that I would give way again before I conclude, and I will do so two or three times.

Dr. Evan Harris: I hope that we will have a chance later in the debate to return to blasphemy. Does the Home Secretary accept that the Bill will have a chilling effect and that the stop point of the Attorney-General is no consolation to those who have been arrested or questioned by the police? Let me give an example for argument's sake. If a group of fundamentalist Christians are spreading vilification and humiliation against gay people—I notice that they do not have the protection that the Home Secretary is extending to those who follow a religion—and I were to say outside the House that those Christian bigots should be despised and, indeed, hated for their views, can he guarantee that I would not be visited by the police and questioned, let alone reach the stage where the Attorney-General decides, for the convenience of the Government, to let me off?

Mr. Clarke: First, no Attorney-General would consider the matter from the point of view of Government convenience at any time. Secondly, the assurances that I have already given meet the points that the hon. Gentleman makes. [HON. MEMBERS: "No, they don't."] Yes, they do. Thirdly, what the hon. Gentleman must take very seriously indeed when he uses the word "chilling" are the comments made a moment or two ago by my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman). The chilling nature of what happens is experienced by people who are subject to the incitement to hatred, and we must deal with removing that chill.

Ms Abbott: Does my right hon. Friend accept that many people who are horrified by the rise in anti-Muslim abuse, violence and harassment since 9/11, described by my hon. Friend the Member for Tooting (Mr. Khan) in his article in the *Evening Standard* today, and who have themselves been victims of racism, are none the less troubled by the Bill? One reason why some of us are troubled is that we remember when the clamour first arose for the protection of Islam as a religion, in the wake of publication of "The Satanic Verses" when there were marches, book-burnings and demands for protection. The demand then was for a blasphemy law for Islam, and the demand now is for a blasphemy law

for Islam. How can my right hon. Friend assure the House that the measure will not, by case law and other mutations, turn into just that: a blasphemy law for Islam?

Mr. Clarke: I accept that there are concerns and my hon. Friend is right to say that they have been reflected in debate but I repeat that I do not believe that those concerns are justified, for the reasons that I have tried to set out. I specifically do not propose either a change to the blasphemy law or a new blasphemy law. The issues relating to "The Satanic Verses" were about blasphemy, not incitement to hatred. There are substantial protections in the Bill and in the conduct of any future Government which mean that the kind of change about which my hon. Friend is concerned could not happen.

Mr. Quentin Davies: Can the Home Secretary clear up a fundamental point and give the House an unambiguous assurance that a simple statement of religious exclusivity—that one religion has the key to salvation and that another or others do not—will not in any circumstances be regarded as incitement to racial hatred and thus a criminal offence?

Mr. Clarke: I can give that assurance absolutely.

Mr. John Gummer (Suffolk, Coastal) (Con): May I take the Home Secretary back to the point about who defines what a religion is? When Lafayette Ron Hubbard set up scientology, he found it convenient to call it the Church of Scientology, but it is actually a dangerous organisation that preys on people with mental illness, and most of us would want to make that clear. However, it would be difficult to do so without indicating that one was very unhappy about those who promulgate scientology and make money from it. Self-certification of religion could be a means for outrageous and sometimes criminal organisations to protect themselves, which must be of considerable concern.

Mr. Clarke: The right hon. Gentleman and I have never discussed scientology, but on the basis of what he has just said I suspect we hold a similar view of the nature of that organisation. I must return to a point I have made already: the fact is that the Bill is about incitement to hatred, so for the right hon. Gentleman, or indeed me as Home Secretary, to set out our views and approaches about scientology is perfectly legitimate and will continue to be so.

Mark Pritchard (The Wrekin) (Con): I should like to be helpful to the Government, so can the Home Secretary give the House an example of a case of incitement to religious hatred that could have been brought under the proposals?

Mr. Clarke: I appreciate that the hon. Gentleman wants to be helpful but I shall not get involved in judging individual cases. That is not my role; it is a question for legislation and the courts.

Patrick Hall (Bedford) (Lab): I have been listening carefully to my right hon. Friend and have no doubts about his good intentions, but does he acknowledge that many people are concerned not about the intentions or the content of the Bill, but that once it is enacted it could create a climate of over-cautious opinion whereby some people would avoid democratic scrutiny, debate or criticism of religion, or indeed of the absence of religious belief? Will my right hon. Friend do what he can, both in his remarks today and in the Bill, to alleviate those legitimate concerns?

Mr. Clarke: As I have already said, I am prepared to consider amendments and other proposals to do just that, but I emphasise yet again that robust argument about such issues is an essential part of our society and should be promoted. Indeed, when I was Secretary of State for Education and Skills I was involved in the development of the non-statutory framework for religious education in schools, which is predicated precisely on children at school being able to discuss frankly the strengths and weaknesses of particular religions. By the way, all the main religions in the country signed up to that as the right approach. We want more debate about those things, not less, and the Bill will make that more rather than less likely.

Mr. Boris Johnson (Henley) (Con): We are all trying to grapple with what the Bill will ban and why. Will the Home Secretary clear up some doubt in my mind about whether it is intended to outlaw the public or private recitation of the many passages of the Koran that evidently incite hatred and the extreme dislike of Jews, Christians and other people on the basis of their religious beliefs? Will such recitation be captured by the Bill?

Mr. Clarke: Absolutely not, so I can give the hon. Gentleman the assurance that he is looking for. I know that he normally sorts himself out when trying to get clarity, but the private and public recitation of bits of the Koran is not incitement to hatred.

Chris Bryant (Rhondda) (Lab): The Home Secretary said earlier that today is not the day for dealing with the question of reforming the blasphemy laws. However, I urge him to move forward on that issue because one of the obscenities of those laws is that they protect only the tenets of the Church of England. I have tried over the years to understand what those tenets are, but it is sometimes rather like knowing where the beginning and end of mist is. Will he indicate when and how he intends to move forward towards the reform of the blasphemy laws?

Mr. Clarke: I appreciate my hon. Friend's invitation, but I will not go into any detail beyond what I have already said.

Mr. David Heath (Somerton and Frome) (LD): The Home Secretary is being very generous in giving way. The problem that many of us see with the Bill is not the expectation of a large number of prosecutions—I accept from the Home Secretary that the locks are there to prevent that from happening. We think, however, that there is a high likelihood of vexatious or other complaints to the police that will result in investigation and which will thus effectively lead to the harassment of people who are legitimately proselytising their faith or behaving properly, which will have an effect on free

[Mr. David Heath]

speech. The Home Secretary said that he was open to suggestions about giving guidance to the police and others on how to interpret the Bill. It might be useful to produce draft guidelines before the Committee stage so that everyone will know his exact intentions and the limitations of how the legislation will be used.

Mr. Clarke: The hon. Gentleman has answered his own question in part because the guidance will be an important element of the process. The protections that I set out earlier to deal with the possibility of vexatious complaints are legitimate. I cannot give an absolute assurance to publish the draft guidance before the Bill is considered in Committee, but I assure him that we will produce it as soon as possible in the best way that we can.

Mr. John Baron (Billericay) (Con): May I press the Home Secretary on the question of intent, which is a reason why many of us have severe reservations about the Bill? In reply to a question asked by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), the Home Secretary seemed to imply that intent would be required, but even given his remarks about the Public Order Act 1986, the explanatory notes seem to suggest that the accused would be responsible for the unintended and unforeseen reactions to his comments. Does he accept that that would take the law into dangerous territory and, if so, will he tell us how he will ensure that the Bill does not catch those who do not have the intent of inciting religious hatred?

Mr. Clarke: I do not think that I have anything to add to my earlier reply to a similar question, except to say, as I have been trying to say throughout the debate, that we will be open to amendments if they deal with such points. However, what I said earlier was very clear.

Mr. Streeter: Of course we all want to build a tolerant society in which there is respect for each other's religious beliefs, but I am worried about unintended consequences of the Bill that might increase racial and religious tensions. What is the specific activity currently going on out there that the Home Secretary wishes to arrest and which is not caught by legislation already on the statute book? Will he give examples of what is going on now that he is trying to stop so that we know why we are legislating?

Mr. Clarke: Incitement to hatred takes place in relation to certain racial and religious groups and individuals. There is currently the power in legislation to deal with that in relation to certain of those groups and not others. I believe and I argue—I think that this is substantiated—that we can deal with the matter effectively by ensuring that all groups are protected and covered.

John Smith (Vale of Glamorgan) (Lab): We all share the intents and the motives that lie behind the Bill. Will my right hon. Friend give me an assurance that, in his opinion, there is not a risk that the effect of the Bill will be to dilute the incitement of racial hatred, a matter that all of us accept must be dealt with? The Bill has clarity but there is still difficulty in bringing cases before the courts. By adding religion and all the problems of interpretation, is there not a danger that we will throw the baby out with the bath water?

Mr. Clarke: I do not think that the risk to which my hon. Friend refers is there. We are adding to the existing legal framework rather than diluting or watering down in any respect the existing framework. It is an addition to try to ensure that we get to a state of affairs where every group is protected in a similar way.

Mr. Grieve: Not only is intent not required for this offence, but the Home Secretary is widening the scope of the offence where intent is not required. I am sure that the right hon. Gentleman will agree that many people in this country are, unfortunately, likely to be stirred up to religious hatred on a nothing. The way in which subsection (3)(b) is worded means that somebody making a comment from a biblical text or from a text in the Koran to an audience of learned people, which is then repeated to an audience of extremists, would be responsible for inciting hatred. The same comments, quoted from the same holy book, might well be taken by those extremists in a completely different sense, and their hatred would therefore be incited.

Mr. Clarke: That is a point that we have addressed on many occasions before and already in our discussion today. I do not accept the definition that the hon. Gentleman comes to.

We have had a full and lively debate, and I am confident that the Bill will undergo detailed scrutiny in Committee. That is right because of the interest that the Bill has generated inside and outside Parliament. I understand the genuine concern that some hon. Members on both sides of the House have about the impact that the Bill may have on freedom of expression, although I say again that the Joint Committee on Human Rights of this Parliament came to the view that the measures contained in it are unlikely to give rise to any violation of the right to freedom of expression. Nevertheless, I accept that the issue needs to be fully and properly debated. I note that there is near universal agreement that stirring up hatred against people because of their religious beliefs, or lack of belief, is wrong and that it is right that we should seek to deal with the problem. The disagreement is not about why or if we should deal with that behaviour, but how. Given that, I hope that the debate will be positive and constructive. I commend the Bill to the House.

5.13 pm

David Davis (Haltemprice and Howden) (Con): I beg to move, To leave out from "That" to the end of the Question, and to add instead thereof:

"this House declines to give a Second Reading to the Racial and Religious Hatred Bill because, while the Bill recognises the problems caused by extremists seeking to stir up hatred against others on the grounds of their ethnic identity, by creating a new offence of inciting religious hatred, it will disproportionately curtail freedom of expression, worsen community relations as different religious and belief groups call for the prosecution of their opponents, create uncertainty as to what words or behaviour are lawful and lead to the selective application of the law in a manner likely to bring it into disrepute."

I pick up immediately on the Home Secretary's final words. He pointed out that, effectively, this is the third time that this proposed legislation has been presented to the House. Therefore, it is important that we get it right and that we deal with it coolly and clinically. In view of the comments of the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) and the hon. Member for Walsall, North (Mr. Winnick), I shall read an extract that was put into the record by Lord Alli in supporting the Government. He read out a verse from one of Hitler's most ardent opponents, Pastor Martin Neimoeller, which everyone will recognise. It reads:

"First, they came for the communists, and I did not speak out—because I was not a communist.

Then they came for the socialists, and I did not speak out—because I was not a socialist;

Then they came for the trade unionists, and I did not speak out—because I was not a trade unionist.

Then they came for the Jews, and I did not speak out—because I was not a Jew.

Then they came for me—and there was no one left to speak for me".

That is a famous verse and I suspect that everyone in the Chamber understands and agrees entirely with the sentiments that are expressed within it. I hope that the Home Secretary and the right hon. Member for Manchester, Gorton, when they read *Hansard*, will accept that.

We all abhor discrimination and attempts to stir up hatred on whatever grounds. I am glad that the Minister for Policing, Security and Community Safety is in the Chamber, as I should like to respond to a striking contribution that she made to a previous debate. She claimed:

"There is a difference between us and the Opposition. We feel that it is wrong to stir up hatred against people on the grounds of their religion. Clearly Opposition Members do not feel that that is wrong".—[*Official Report*, 7 February 2005; Vol. 430, c. 1224.]

That argument is clearly absurd. Before Ministers throw around any more silly accusations, they should remember that the Bill's opponents include Liberty, the writers' organisation PEN, and many seasoned campaigners against discrimination—not least Lord Lester, who has 40 years experience of campaigning on race relations.

As the Home Secretary suggested at the end of his speech, we are not debating whether discrimination is right or wrong, but how we balance a belief in freedom and tolerance with the rights and interests of minorities. That balance is important and we do not believe that the Bill achieves it. The Bill is wrong in principle, it would be barely workable in practice and, arguably, it is unnecessary in any event. It has also raised expectations among minority communities, who are likely to be seriously disappointed if the law were brought into effect. Above all, a basic principle is at stake. We believe that the best way to target someone who hates others because of what they believe is through the force of argument, rather than the law. Criminal law should be used to punish people who do injury to the person, the property or the liberty of the individual, not simply offend their beliefs or feelings. That is the crucial difference between the proposals in the Bill and the original piece of legislation that it seeks to amend.

In 1986, the Conservative Government rightly sought to criminalise people who attempted to stir up hatred on the ground of race, because race is not something that someone chooses, as the hon. and learned Member for Medway (Mr. Marshall-Andrews) pointed out. It is who they are—it is their very person. An attack on race is an attack on the individual. Religious belief is quite different—it is something that someone chooses or, indeed, chooses to opt out of. There are many different religions with competing claims and competing ways of life. It is entirely appropriate to debate the merits of each, to question the basis on which a religion is founded and, by implication, to challenge the way in which someone lives his life.

Harry Cohen (Leyton and Wanstead) (Lab): In that context, does the right hon. Gentleman accept that Islamophobia exists? If he does, what should be done about it?

David Davis: I do accept that and, unlike the Home Secretary, I shall illustrate the point with an individual case later. If I do not do so, I am happy to accept another intervention from the hon. Gentleman.

Mr. Gummer: My right hon. Friend talked about the balance between freedom and the need to protect people against discrimination. However, if we wish to restrict freedom, we must come to the House with specific cases that require extremely serious legislation. Has he noticed that the Home Secretary has not at any time produced a single case that would necessitate the introduction of legislation? All that he has done—and I understand why—is suggest that if people stir up hatred for religious reasons it is a very unpleasant thing. I agree that it is, but he has not adduced a case for the law.

David Davis: My right hon. Friend, as always, predicts my argument. He is entirely right, as a notable feature of our debate is the fact that the law is so vague that even the Home Secretary cannot get it right. When he said that intent was required, he was wrong. The law does not say that—he missed out the word "or" in the relevant provision.

As my right hon. Friend said, the Government propose to limit the debate. They say that that is not the case and that the Attorney-General will decide if someone has gone too far and broken the law. That is their lock, as they call it. Before it reaches that stage, however, an individual can be investigated and have his character called into question. It is not clear why anyone should face that prospect, or why anyone should continue to pursue activities, whether writing, comedy or science, that put them at such risk. Inevitably, we will end up with a situation where serious debate and freedom of speech are limited. Our society and our tradition of tolerance will be poorer as a result.

There are a number of problems with the Bill. First, it is not clear what the real intention is. When we first debated these proposals in the original Bill, the previous Home Secretary said:

"It will not criminalise material just because it stirs up ridicule, prejudice, dislike, contempt, anger or similar causes. It is about inciting people in a way that will damage those individuals because of their religion, not because of their beliefs."—[*Official Report*, 7 December 2004; Vol. 428, c.1054–55.]

[David Davis]

That is a confusing definition, to say the least, and it is not made clear in the current draft of the Bill.

Let me give a first case example, to meet the suggestion of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). The remarks that I shall quote came from the Prime Minister when he was justifying his decision to undertake the war in Iraq. He said:

"But what galvanised me was that it was a declaration of war by religious fanatics who were prepared to wage that war without limit. They killed 3,000. But if they could have killed 30,000 or 300,000 they would have rejoiced in it. The purpose was to cause such hatred between Moslems and the West that a religious jihad became a reality"—

the words of the Prime Minister, justifying his decision to start the war in Iraq. It is entirely possible that those words could have been caught under the definitions in the new law—so much so that a former Lord Chancellor, debating the Bill in the other place earlier, said that he would find it difficult to mount a defence of the Prime Minister under the proposed law.

Mr. Mark Hendrick (Preston) (Lab/Co-op): The right hon. Gentleman argues that the debate is about tolerance. Is it not in fact about intolerance?

David Davis: Of course, if the debate is about tolerance it is about intolerance as well. I am arguing that we are confronting a major change in the balance between freedom of speech and the right to say what one likes about—*[Interruption.]* I see the right hon. Member for Manchester, Gorton is back. I am sorry that he did not hear the beginning of my speech. We are confronting a major change in the balance of freedom of speech. The Bill is insufficiently precise. There are ways in which we can deal with the issue before the House, and I shall come to that later, but the Bill is not it. It is too general, too wide, too vague and too dangerous.

Mr. Heath: I, too, am glad that the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) is back in his place. Was it not the case that the illustration that he gave in support of the Home Secretary's proposals had absolutely nothing to do with the Bill? It could not have been affected in any way by the new offences that will be put on the statute book. It underlines the need for a proper anti-discrimination act, which we still await.

David Davis: The hon. Gentleman is right. I shall come back to that individual case in a moment.

The second problem with the Bill is that it is questionable whether it would, if enacted, protect minority groups in the way that they hope. For example, many Muslims believe that the Bill would stop the defamation of the character of the Prophet Mohammed. Many believe the new law would be a substitute blasphemy law that would protect their religion from criticism. However, the Government have confirmed that that is not the intention, so the situation is confused. Would, for example, the author Salman Rushdie have been prosecuted for "The Satanic Verses", which undermined the Koran and suggested that the foundations of the Muslim faith were bogus? If the answer is yes, we are in dangerous territory, but if the Home Secretary again says no, we are in danger of bringing the legislation into disrepute and of upsetting groups of people whom the Bill is intended to protect.

Not only will many sections of the community be disappointed by the Bill, but they may also find that things are made considerably worse. We risk creating a tit-for-tat situation which encourages suspicion and mistrust between religions, rather than the harmony that we seek. That has been the experience in Australia. The Home Secretary says the law is different there. I shall be interested to see how the courts judge between vilification and incitement to hatred. It is an interesting distinction. Amir Butler, the executive director of the Australian Muslim Public Affairs Committee and a former supporter of religious hatred laws, has explained how the practice of those laws made him change his mind.

Mr. Charles Clarke: The difference is substantial. Section 8 of Victoria's Racial and Religious Tolerance Act 2001 makes it an offence for a person to engage in conduct that incites not only hatred against, but also serious contempt for, or revulsion or severe ridicule of, another person or class of people. The difference in definition is massive; it is not a minor difference of interpretation.

David Davis: The overlap between that legislation and this Bill is enormous.

Amir Butler found that after Muslims brought a case against a Christian organisation, Muslim festivals and meetings were regularly attended by Christian evangelist groups attempting to find breaches of the law—this sort of legislation will encourage that sort of thing. The outcome in Australia was an unintended consequence of the legislation and it has forced Amir Butler, who was a major proponent of those laws, to oppose them. As he now says:

"The real key to social cohesion is honest dialogue. A dialogue, unfettered by political correctness, that is based on recognition that we have different ideas."

The Bill undermines the religious freedoms that it is intended to protect.

Mr. Streeter: Is my right hon. Friend aware that Justice, an independent, all-party human rights and law reform organisation, supports his proposition that the Bill may make the situation worse? It fears that provisions that are intended to increase tolerance may in fact increase intolerance.

David Davis: It is entirely unsurprising that Justice supports that proposition. When other countries have introduced this sort of draconian law to restrict freedom of speech, support has increased for the sort of far-right parties that the Bill is intended if not to suppress, then to limit. After such laws were implemented in France, Jean-Marie Le Pen experienced increased support. Far-right parties have also thrived in Canada, Denmark and Holland as result of such laws.

For us to allow such a change to the law here, the Government must prove categorically that the change is necessary and that the existing laws are not up to the job. To date, they have failed to prove that case—indeed, the

Home Secretary has failed to prove it today. Lord Colville, the Chairman of the Lords Select Committee that wrote the definitive report on the subject, said:

"There is a very substantial amount of criminal law relating to incitement . . . I do not believe it has all yet been tried out before we invent something else."—[*Official Report, House of Lords*, 22 April 2004; Vol. 660, c. 446–47.]

We do not have to rely on Lord Colville's opinion—let us look also at the facts. A man called Norwood was recently successfully prosecuted by the police for putting a notice in the window of his house suggesting that Islam should be banished from the UK and associating Islam with the outrage of 9/11. In another recent case, a street preacher who held up a banner attacking homosexuality while proclaiming, "Jesus is Lord" was prosecuted under existing public order legislation. I understand that the Crown Prosecution Service is currently monitoring 70 to 80 religiously aggravated offences, so more examples may be on the way.

Mr. Edward Leigh (Gainsborough) (Con): Has my right hon. Friend noticed that whenever we adduce a specific example of what might be called hatred, the Home Secretary says, "Oh no, this law will not cover that."? He has not given us a single example. I am beginning to think that this is not a dangerous Bill, but mere posturing, because ample legislation already exists to deal with the issues. If that is not the case, will the Home Secretary give a single example of an offence that would not be caught by existing legislation?

David Davis: I am not sure about the rules governing such an exchange between myself and the Home Secretary, but my hon. Friend may be right. The simple truth is that the Bill is dangerous because it is so vague, so wide and so ill-defined.

My hon. Friend is also right on the question of other legislation. Aside from the Public Order Act 1986, the Human Rights Act 1998 incorporated the concept of religious freedom into British law, incitement is already a recognised criminal offence, judges already have the power to increase sentences if they find that religion is an aggravating factor in a crime, and the Protection from Harassment Act 1997 gave people extra protection against hate crimes, whatever their motivation.

John Bercow (Buckingham) (Con): On the subject of specifics, my right hon. Friend will be aware that virulently homophobic lyrics in some reggae songs urge the murder of lesbians and gay men. Given that the best-selling artist Beenie Man sings, "Hang lesbians with a long piece of rope", and that Elephant Man sings, "Queers must be killed", and that no legal action whatsoever has been taken to prevent the sale or distribution of such material, does my right hon. Friend agree that the Home Secretary, even if he does not think that this is an appropriate Bill to tackle such matters, has a responsibility to explain how he intends to ensure that that incitement of hatred is not permitted and that the interests and safety of lesbians and gay men are protected?

David Davis: I do not know the individual cases to which my hon. Friend refers, and it would not be right for me to comment on them, but it is certainly the case that incitement to violence and hatred of that nature ought to be prosecuted with the full force of the law—I have no doubt about that.

Angela Watkinson (Upminster) (Con): Does my right hon. Friend believe that a likelihood—"likely" is the word used in the Bill—on the part of one person to invoke thoughts and feelings that could be construed as religious hatred can ever be quantified safely or consistently in the courts?

David Davis: No, I do not. My hon. Friend strikes at a very serious weakness at the heart of the Bill, and I shall return to that in a moment.

We do not need to pass a Bill dealing specifically and narrowly with religious hatred. Indeed, if the Government really want to act on this issue—if it is not just a posture, as my hon. Friend the Member for Gainsborough (Mr. Leigh) suggests—it would be simpler and preferable to introduce the notion of religious hatred being a pretext for racial hatred. That course of action was supported by the Conservative and Liberal parties in both Houses and by important groups such as Liberty. It would be simpler, more precise and more effective; it would do the job that is needed if this problem exists; and it would achieve what the Government want without the need for a political clash and the elaborate gesture of a new law on the statute book.

I want to turn briefly to some of the specific drafting issues that concern us. As we have heard, there is no definition of the word "religion" in the Bill; instead, it will be for the courts to decide what is or is not a religion. In short, we are being asked to pass a contentious and illiberal piece of legislation without really knowing what we are voting for. Equally, by failing to define clearly what is meant by the word "religion", we are leaving the way clear for anybody—be they racists, far-right groups or whatever—to set themselves up as a religion and thereby give themselves protection, which is the very opposite of what we are trying to do. Would that stop mainstream politicians or anyone else from attacking their views, which most right-thinking people would find distasteful at least? Are we not also in danger of causing harm while seeking to do good? Members will be familiar, I am sure, with organisations such as Catalyst, a group that exists to help people escape from cults that have entrapped or enslaved them. If cults are to be accepted as religions, the good work that groups such as Catalyst do may become impossible.

The second problem is that of intent. The Bill states that the offence will be caused when "words, behaviour or material" are

"likely to be heard or seen by any person in whom . . . they are likely to stir up . . . hatred."

That is a completely subjective judgment. How on earth can one see into the mind of someone else to judge how they will react to something that one might say? Once again, this holds important implications for the standards of debate and tolerance in our society.

Mr. John Denham (Southampton, Itchen) (Lab) *rose—*

David Davis: I give way to the Chairman of the Home Affairs Committee.

Mr. Denham: Given that the words that the right hon. Gentleman just quoted are, to all intents and purposes, the same as those in the Public Order Act 1986, does he believe that that legislation is fatally flawed?

David Davis: I am surprised that the right hon. Gentleman did not listen to the first half of my speech. The point about the Public Order Act 1986 is that it covers race, which is not a matter of choice. The 1986 Act is clear cut; the Bill is not. What constitutes an act to incite hatred of a race is obvious. However, it is not at all clear whether, for example, reading from the Verse of the Sword in the Koran would be covered by the measure, but it could be.

Mr. Denham: The point is not about race, to which we shall doubtless revert in the debate. The right hon. Gentleman's criticism of the drafting of the Bill was that it asked people to look inside others' heads to work out the effect of an action. Precisely the same test applies in the 1986 Act. If he thinks that it cannot be done, does he believe that the 1986 Act is flawed?

David Davis: The right hon. Gentleman misses the point. If one is discussing a perfectly reasonable point of debate, such as the nature of a religion or the consequences of choosing a specific religion, that has implications that a court could interpret, under the Bill, as inciting hatred. The sort of thing that one would say to incite hatred against a race is clear cut.

Chris Bryant: The right hon. Gentleman hangs his argument on the basis that there is a substantial difference between a faith and a race because one chooses one's faith but not one's race. I contest the argument that everyone chooses his faith. As the House of Lords report on religious offences made clear, many people in this country live in communities where they have little choice about the faith to which they adhere and are always believed by other people, because of the clothes that they wear, to belong to a particular faith. I urge the right hon. Gentleman to soften the edges of his argument about choice and faith.

David Davis: I am afraid that I shall not do so because I do not agree with the hon. Gentleman's perspective. One is born with and cannot escape one's race. One may be born with religion, but one can decide to opt in, opt out or change. I do not accept the hon. Gentleman's argument.

Sir Gerald Kaufman: Will the right hon. Gentleman give way?

David Davis: No, I shall not, if the right hon. Gentleman will forgive me.

Sir Gerald Kaufman: On that point?

David Davis: The right hon. Member for Manchester, Gorton has not been present for half of my speech. I shall not, therefore, give way.

It is no defence for the Government to say that the final decision lies with the Attorney-General. As we have experienced in recent years, the Attorney-General holds an increasingly political position in public life. He or she may hold particular religious views and there will be public pressure on both sides of the argument so that even when the Attorney-General refuses to consent to prosecutions, it will be a recipe not for more tolerance and harmony, but the opposite. We therefore have serious concerns about the Attorney-General's role in policing the proposed new law. It is a measure of the Bill's weakness that the Government believe that they need the so-called lock.

All human beings are equal before the law. That is precisely why the previous Conservative Government introduced the legislation on race. However, beliefs are subjective. They are chosen and can be picked up or put down on the basis of their merits, which are discovered only through reasoned argument and debate. The ability to hold those debates reasonably and sensibly has sustained Britain's culture of tolerance over the years.

I remind the Home Secretary that tolerance is displayed by putting up not with what one agrees with, but with what one disagrees with. As Voltaire said: "I disagree with what you say but I'll fight to the death for your right to say it." It is a well-known phrase, but Voltaire fled to Britain to escape persecution because of our culture of tolerance and free speech.

Doubtless, many contributors to the debate will be from the legal profession. They can highlight better than me the intricate failings of the Bill and the way in which it will be translated into law. However, for Conservative Members the principle is clear. The basis of our society is a belief in free speech. Britain learned long ago that more freedom of speech leads to more vigorous debate, which leads to more tolerance. Evil ideas should be met with challenge, not silence. Any attempt to limit free speech must be made only when the need to do so is proven overwhelmingly. On this occasion, it has not been.

I shall finish by quoting Mr. Soli Sorabjee, the eminent Attorney-General of India, who is possibly the greatest expert in the world on these issues. In his evidence on incitement to religious hatred to the Colville committee, he said that

"experience shows that criminal laws prohibiting hate speech and expression will encourage intolerance . . . we need not more repressive laws but more free speech to combat bigotry and promote tolerance".

It is in the understanding of this point that the real difference between the Government and the Opposition lies. That is why we shall vote against the Bill.

Madam Deputy Speaker: May I remind all right hon. and hon. Members that Mr. Speaker has imposed a limit of 10 minutes on Back-Bench speeches?

5.40 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I shall start by making a declaration that I am a person of no religious belief, and that I have in the past sought to get rid of the blasphemy law. I do not believe that anyone should be harassed or assaulted, or live in fear, because of their religious beliefs, but they are and they do, in our country today. This happens to Muslim mothers collecting their children from school, and to Muslim men going to and from their place of worship. Muslim homes are stoned and fire-bombed. Yet our laws offer no special protection to Muslims against the incitement to hatred of them because of their religion, although they do protect Jews, Sikhs and members of the Church of England. I believe in equality before the law, and I therefore support the Government's proposals to make incitement to hatred of people on the

ground of their religion unlawful. If Opposition Members want an example, we want to stop the hatemongers targeting their spleen against women who cover their heads and faces, which will happen somewhere in England today.

David T.C. Davies (Monmouth) (Con): Will the right hon. Gentleman give way?

Frank Dobson: Not at the moment.

Most of the objections to the Bill seem to be based on the belief that it will be an extension of the blasphemy law, or that others will expect the blasphemy law to be extended. If the Government were proposing to extend the blasphemy law, I would oppose them to the last. I am not a believer and, as I have said, I have worked for the abolition of that law. I should remind Opposition Members that it covers only the Church of England, and that it does so only on the basis of a decision made at York summer assizes in 1838. If the Bill were widely drawn, it might extend that ludicrous law, but it is not.

There is no parallel with the situation in the Australian state of Victoria. To commit an offence under the Bill, someone will, through their expression or behaviour, have to intend to stir up hatred or, in all circumstances, be likely to do so.

Mr. Grieve: Will the right hon. Gentleman give way?

Frank Dobson: No, I will not.

The Bill would not stop "The Satanic Verses". It would not be useful against Gary Springer—[HON. MEMBERS: "Jerry Springer!"] Jerry Springer: he has changed his name to protect the innocent—[HON. MEMBERS: "Gary Streeter!] And if the Tories cannot even decide who Gary Streeter is, I must be allowed a slip of the tongue.

The existing protection of Sikhs did not make it possible to prosecute anyone for the performance of "Behzti" in Birmingham. Another objection that I have heard on television and the radio and seen in newspapers is that the Government are doing this only to regain Muslim votes that were lost as a result of the invasion and occupation of Iraq. Anyone who thinks that must be an innumerate half-wit. It cannot be true: the Government first proposed the law to the House in November 2001, following a massive increase in the number of attacks on Muslim people after the evil events of 11 September in New York and Washington, and in response to a request from the Muslim community for extra protection. That was a prompt, proper and proportionate response to the needs of a minority group.

David T.C. Davies: Will the right hon. Gentleman give way?

Frank Dobson: No, I will not.

What the Government did is what should happen in a democracy. If people are being oppressed, if people are being assaulted, if people are being assailed, we should try to offer them protection.

There is a fear that the Bill may offer special privileges to religious groups. I am glad to say that it also covers people who do not have any religious beliefs, partly, I hope, as a result of representations by me and by other Labour Members. Lawyers have said—as have some Conservative Members—that there may be problems with the interpretation of "incitement". The courts have always had problems with interpreting "incitement": there are all sorts of laws involving it. Then there is the question of how to define "religion". We deliberately did not define "race", which is quite difficult to define. We left the definition to the courts in the case of incitement to racial hatred.

Some objections to the proposals may be valid. No law is perfect. As has already been said, there is a danger of tit-for-tat activity on the part of one religious group against another; but, as my right hon. Friend the Home Secretary has pointed out, there is a fair degree of protection from that, culminating in the requirement for the Attorney-General's consent. I think that we can expect the Attorney-General to try and keep the lid on tit-for-tat activity. There is the possibility of the Attorney-General's being accused of religious bias, but that did not happen much in the case of race, and I see no reason why it is likely to happen in the case of religion.

Another argument is that while it is appropriate to cover race in legislation because people cannot change their race, it is inappropriate to provide similar protection in regard to religion because people can change their religion. Let us think about it. The logic of the argument is that if people do not like being subject to assault and hatred because of their religion, they can always change their religion. That is a sickening invitation to intimidation. As was pointed out by my hon. Friend the Member for Rhondda (Chris Bryant), most people are born into their religion just as much as they are born into their race.

I believe that the laws against incitement to racial hatred have worked—imperfectly, like all laws. Not many cases have been brought, but the test is not the number of cases that have been brought, or at least that is not the only test. The law that the Tories introduced—they deserve credit for that—backed up the moral and ethical position that incitement to racial hatred was wrong. As a result of that declaratory effect, the stirring up of hatred on grounds of race has declined. Some people have been a bit more careful about what they say.

That brings me to the objections expressed by comedians and clerics. The comedians apparently think that they would be breaking the law if they made jokes about religion; but they would be breaking the law only if they used threats, abuse and insults with the intention of stirring up hatred, or if in all the circumstances they were likely to do so. If a comedian needs the right to do that, we have the right to stop him or her, and I believe that that is what we should do. I do not believe that any comedians, or clerics, need the right to set out to stir up hatred against any of their fellow citizens. They would be in a sad state if they did.

The police and others tell us that it is almost inevitable that there will be some terrible terrorist incident, no matter how hard we try to prevent it. I think that we need to enact the law in advance, and try to ensure that if there is a terrible incident we do not see the irrational but, again, almost inevitable attacks on, say, a particular religious group if members of that group are accused of being the cause of it. We need to be leading the way, not dragging along behind.

[Frank Dobson]

The object of laws is to persuade people not to do things, partly by threatening them and partly by declaring that some things are right and some are wrong. If we do not take this opportunity to declare that incitement to hatred of people on the grounds of their religion is wrong, we will declare that we tolerate its continued existence. We should not do that.

continued existence. We should not do that.

5.50 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I start, some may say uncharacteristically, by trying to accentuate a few of the positives about the Bill? As regards the analysis of the problem, I share a great deal of common ground with the right hon. Member for Holborn and St. Pancras (Frank Dobson), as do all Liberal Democrats. We think it is right that the Government have recognised a major issue, that there should be no complacency about the growth in Islamophobia and that there should be no equivocation in any quarter in the criticism of groups such as the British National party, and others that seek to promote Islamophobia and prosper on the back of it. The difficulty I have with the position outlined by the Home Secretary and the right hon. Member for Holborn and St. Pancras relates to the Government's apparent insistence that their way of proceeding is the only way. They seek to present the choice as being between doing nothing—continuing to tolerate the growth of Islamophobia, hatred attacks and the rest of it—and doing what they wish to do.

This is the third time we have been round this particular course. Both this House and the other place have already had the benefit of considering the amendment tabled by my noble and learned Friend Lord Lester of Herne Hill, so we know there is another way of proceeding. That is the basis on which my right hon. and hon. Friends and I and Conservative Members have tabled the reasoned amendment.

I can see why the Bill is attractive to many groups, especially to many Muslim groups, but this is not a debate about who is supporting and who is opposing Muslim groups in ethnically diverse communities. I bring to the House's attention the comments of Dr. Ghayasuddin Siddiqui of the Muslim Parliament of Britain on 13 June, which were reasserted in *The Guardian*:

> "The moslem concern for protection, equality and social inclusion is real and genuine . . . This law will be cosmetic and fail to prevent the abuses hurled at Muslims."

I hope that, in seeking to protect the vulnerable groups in their communities, those who come from ethnically diverse communities—not a label that one would normally attach to my constituency—will listen closely to such comments.

Dr. Evan Harris: I think Dr. Siddiqui supports what has been called the Lester amendment. I invite my hon. Friend to comment on the points made by the right hon. Member for Holborn and St. Pancras (Frank Dobson). Under that amendment, offences not already covered by the public order offence of incitement to violence would be dealt with by extending race hate to cover the use of religious words as a proxy for race hate. It would also deal with the problem of discrimination between religions, as Sikhs and Jews would be covered under race hate by the fact that theirs are mono-ethnic religions. Does not the Lester amendment deal with all the points that the right hon. Gentleman raised?

Mr. Carmichael: It will come as no great surprise to anyone in the House to hear me say that I agree with my hon. Friend on this occasion, as I do on most. I listened

hon. Friend on this occasion, as I do on most. I listened

with great care to the litany that the right hon. Member for Holborn and St. Pancras produced. I could not identify anything within that list that would not in theory at least be caught by the current law—particularly incitement to violence, incitement to harassment and the multiplicity of common law offences that are at the prosecuting authorities' disposal.

The benefit of the Lester amendment is that it takes a belt and braces approach. In the event of a scenario arising that we—and even the right hon. Gentleman—have not yet envisaged, the Lester amendment would cover it. That is the sensible approach. That is why I say that the choice is not between following the Government and supporting the Bill, and doing nothing. The mischief at which the Government seek to strike is the pernicious use of religion as a proxy for race. The BNP and others know what will happen to them if they incite hatred on the basis of ethnicity. It is less clear what will happen to them if they do so on the basis of religion, so that is the basis on which they proceed.

It is worth remembering that Lord Lester's amendment came in two parts. My hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) has referred to the first part, so I will not read it into the record. The second part related to freedom of expression:

> "Nothing in Part 3 of the Public Order Act 1986 shall be read or given effect in a way which prohibits or restricts discussion, criticism or expressions of antipathy or dislike of particular religions or their adherents, or of any other belief system or its adherents, or proselytizing one's own religion or belief system or urging adherents of a different religion or belief system to cease practising theirs."

Whatever view one takes of the first part of the amendment, I cannot for the life of me see what the Government's objection would be to that express protection for freedom of religious expression being included in the Bill. I do not understand why the Government shy away from giving some comfort to evangelical Christians and others who see the Bill as a threat to their freedom of expression. Lord Lester's amendment leaves no hiding place for the BNP, but it still provides some protection for the rights of freedom of expression, especially the rights of artistic and religious freedom, which could otherwise be threatened.

It is worth considering how those threats may arise. My primary concern is about the misuse of the powers by the prosecuting authorities. Others have given examples of the "chilling of expression" that could arise as a result of interview, arrest or detention by the police. That is worth considering.

We also have to look at the manner in which the 1986 Act is being amended. The Home Secretary is right to say that hatred is set at a high threshold. The Government have set the bar fairly high, but I come back to the point about likelihood, which arises in relation to subsection (1)(b). The amendment to section

19 entitled "Publishing or distributing written material" covers fairly clearly those who intend to stir up racial or religious hatred. But then substituted for subsection (1)(b) are the words:

"having regard to all the circumstances the words, behaviour or material are (or is) likely to be heard or seen by any person in whom they are (or it is) likely to stir up racial or religious hatred."

That is a significant lowering of the bar that has been set by the provision dealing with hatred. In addition, it makes it very difficult for a person to regulate their conduct according to the offence. It is surely one of the principles of natural justice that law has to be clear to allow the citizen to regulate their conduct. In this case, one can be guilty of an offence not just on the basis of what one has said, done or published but on the basis of what someone else has done, because the provision relates to the likelihood of a person having access to it. That is profoundly worrying.

Mr. Denham: As I said earlier, the wording of the provision on incitement, concerning the effect that particular words or actions have on a person, is precisely the same as the wording used in the Public Order Act 1986. Is the hon. Gentleman saying that the Liberal Democrats oppose the provisions on racial incitement in that Act because of that drafting?

Mr. Carmichael: I am delighted that the right hon. Gentleman has enabled me to return to this point, which he raised earlier. He must have regard to the terms of the Bill that he supports. The terms of the 1986 Act and of the Bill are not exactly the same—the latter substantially amend the former. The 1986 Act uses the phrase,

"having regard to all the circumstances racial hatred is likely to be stirred up thereby."

Once amended, the Act would use the phrase,

"having regard to all the circumstances the words, behaviour or material are (or is) likely to be heard or seen by any person in whom they are (or it is) likely to stir up racial or religious hatred."

That is a very different test. I should also point out that it is right that we apply different tests to racial and religious hatred, because the distinction is an important one.

Mr. Grieve: The hon. Gentleman is right on this issue; indeed, the right hon. Member for Holborn and St. Pancras (Frank Dobson) talked repeatedly about the 1986 Act, rather than the amended version that is being presented to the House. One consequence of this provision is that it will be possible for somebody to address, using terms that may be insulting to a religion, an audience whom he knows will not feel insulted, have those words reproduced to another audience, who are insulted, and be guilty of the offence. That is what the Government are setting out to do in their proposed new paragraph (b).

Mr. Carmichael: The hon. Gentleman makes the point elegantly. I have spent some time on this issue already and I do not intend to reiterate his points.

Mr. Gummer: Before the hon. Gentleman leaves this subject, does he not agree that the example of the sword verse from the Koran is entirely relevant? If it were read by a group of people capable of understanding it, they might well not feel that it constituted incitement. But were it used in certain circles that we know of, it would be very difficult to claim, in the light of itswording, that it did not constitute incitement to hatred. The situation is exactly as the hon. Gentleman describes. This is a dangerous broadening of the meaning of the words, and as a result, the courts will be able to act in a manner that is unacceptable to this House.

Mr. Carmichael: I am with the right hon. Gentleman on this point completely. This is another reason why the Government's refusal to accept if not the first then at least the second part of Lord Lester's amendment, which would cure exactly the defect that the right hon. Gentleman correctly identifies, is all the more puzzling. I hope that when the Minister replies, he will shed some light on this issue, but given that we are going round this course for the third time, I shall not be holding my breath.

We should also consider the role of the Attorney-General, on which the Home Secretary laid particular stress. Here, we are talking about a potentially important protection. I do not underestimate that protection, and I am pleased that at the very least it will be retained. But that is not the end of the story. There are three distinct problems, the first of which is the changing nature of the functions performed by the Law Officers themselves. We saw that in the run-up to the war in Iraq, when the Attorney-General's advice was sought. Speaking as someone who worked as a civil servant with Law Officers in Scotland early in my career, it is clear to me that their job is changing dramatically. In fact, their role as an independent legal voice within the Government has been substantially diminished—a change that is devoutly to be regretted.

The second and more fundamental problem is that it is not the job of a Law Officer to establish boundaries of public policy in areas such as this. The question of what constitutes legitimate religious comment or incitement to religious hatred is surely one for which this place should be responsible; a Law Officer should not be required to adjudicate on it.

Dr. John Pugh (Southport) (LD): Surely such uncertainty is not just a matter for the courts. Most people want to stay out of court, and people in the creative industries will have to second-guess what the law may or may not make of their efforts. Is that not an additional problem, which cannot be dealt with by expert legal advice?

Mr. Carmichael: Indeed it is, and I shall return to that point. My hon. Friend is right: this is another example of the misuse of the Attorney-General's position, and the question of the self-censorship in which the Bill will result is not being addressed.

Frank Dobson: I may have missed something, but in saying that such decisions should not be left to the Attorney-General but should be instead a matter for the House, is the hon. Gentleman suggesting that individual cases should be decided in this place?

Mr. Carmichael: The right hon. Gentleman was absolutely right in the first place: he must have missed the point, because that was certainly not what I said. If

[Mr. Carmichael]

he has the chance to consider the *Official Report* tomorrow, he will see that I said that questions of public policy and the boundaries that determine where such decisions should be made should be decided by this House. That is very different from saying that individual cases should be adjudicated in the way that the right hon. Gentleman was prompted to suggest.

My concern is that where complaint is made, the Attorney-General risks being brought into the political question whether proceedings should begin. These will be highly emotive and contentious questions that will further politicise and change the office of the Attorney-General in an unhelpful way.

Mr. Streeter: Can the hon. Gentleman picture himself in the shoes of the Attorney-General? Let us say that in the run-up to a general election, there is a particular prosecution sitting on the desk of the Attorney-General—who attends Cabinet meetings—and a particular faith community, constituting some 10 per cent. or more of the vote, is clamouring for action. The political pressure on him to do the right thing would be substantial. Would he like to be in the Attorney-General's shoes in that situation? Actually, he probably would.

Mr. Carmichael: If an offer has been made. We already have the precedent in Scotland of the Solicitor-General being a solicitor, rather than a member of the Faculty of Advocates. I have no doubt that a solicitor could easily perform the functions of the Attorney-General and of course, if the opportunity arose, I would give it appropriate consideration.

To return to the serious point, the hon. Gentleman highlights the very political pressure that can be brought to bear on someone who is supposed to be a Law Officer. As I said earlier, we have already seen that political considerations are weighing much more heavily on Law Officers. As the Hutton and Butler reports have shown, the Attorney-General and other Law Officers are being asked for their advice in a manner that is much more political and much less objective. In fact, they are being asked to answer questions that lead in a particular direction, rather than being asked to give a definitive statement on the law, which was the traditional way in which such matters were proceeded with.

The cutting out of the Attorney-General in relation to racial hatred has been effective, but the House would be wrong to conclude that the same would necessarily be true if the principle were applied to religious hatred on the same basis. If we are not to deal with this issue before we consider the Bill in Committee, and given that we are likely to deal with the Report stage after the recess, we need to see the terms of the draft guidance that will be given by the Attorney-General on the operation of this provision. It seems to me that since the Government's case rests on saying that we should not worry about the theoretical position because they will make it work in practice, the ultimate judgment can be made only when we see the guidance that they intend to produce. I accept that it will not be available in Committee, which is regrettable. It makes me wonder why we are dealing with the Bill so early stage in the Session when it would have been possible to leave it for a few months to facilitate a more mature consultation with those affected and revisit the issues again in the autumn if necessary.

Mr. Edward Garnier (Harborough) (Con): Is the hon. Gentleman's point not even more important given that this is the third time the legislation has been considered? I assume, perhaps naïvely, that the Government have had some thoughts about what sort of guidance they would instruct the Attorney-General to produce.

Mr. Carmichael: I would like to make that assumption, too, but I wonder if the hon. and learned Gentleman and I are both slightly naïve in proceeding on that basis. The Minister can tell us whether the guidance exists in draft form. If so, perhaps he will be able to furnish members of the Committee with it before we start next week. It would certainly illuminate our proceedings if that happened.

I turn briefly to those who fear for artistic, as opposed to religious, expression—the comedians rather than the clerics. The Home Secretary has said that they will not be prosecuted. I do not have a problem with that; the right hon. Gentleman is probably right that such prosecutions are unlikely. Nevertheless, I remain concerned about the degree of self-censorship, and fear that the Bill will have some impact. If we are mainly about sending signals, prosecutions are unnecessary, and one signal that has clearly been picked up by the artistic community is that its freedom will be curtailed. The Home Secretary will have to give more serious thought to that problem than he has hitherto.

It is incumbent on us as parliamentarians, in passing any piece of legislation, to consider the worst-case scenario. I am looking forward—in time, rather than in the sense of wanting something to happen—to circumstances in which we do not have a liberal Government and in which the Law Officers are substantially less liberal than at present. At that stage, the opportunity for abuse becomes immense. At some future stage, the Home Secretary and the Attorney-General might have a particular agenda or a beef with some religious group and in those circumstances the legislation would be open to abuse.

Chris Bryant: Lord Mackay.

Mr. Carmichael: The hon. Member for Rhondda (Chris Bryant) refers from a sedentary position to Lord Mackay of Clashfern. Of course he was the Lord Chancellor, not the Attorney-General, but he may not be the worst example. The hon. Gentleman may not be aware that Lord Mackay of Clashfern was expelled from the Free Presbyterian Church of Scotland because he attended the funeral of a Catholic colleague. If that had happened in England and after the Bill had been enacted, I wonder whether the Free Presbyterian Church would have been prosecuted for inciting religious hatred by expelling the noble Lord and treating him in that way.

At the heart of the Bill lies the distinction between things that are immutable, such as race, which should be protected, and those that are not because they are a matter of choice. *[Interruption.]* Once again, the hon. Member for Rhondda shouts from a sedentary position that faith is immutable, but I do not accept that. I am surprised at the idea that the Church of England is going down the path of predestination, which even the Free Presbyterian Church of Scotland gave up about 150 or 200 years ago.

Another aspect of immutability that the hon. Member for Rhondda and I have debated in the past is sexual orientation. I believe that people are born with their sexual orientation, but if the Government have their way—to develop a point that was made earlier—it will be open for a Christian, a Jew or a Muslim to condemn homosexuals as perverted, damned and people to be hated. Many in the more fundamentalist sects of all three faiths might well do so.

Dr. Evan Harris: And we could not call them bigots.

Mr. Carmichael: As my hon. Friend says, under the Bill, we would not be able to call them bigots. If the Government's assurances are taken at face value, there would be no prosecutions of people making such assertions because their doing so would be covered by their freedom of religious expression. On the basis of religion, which is a matter of choice, it seems that it is all right to incite hatred of someone else for something over which they have no choice. That problem has not been adequately dealt with.

Ms Barlow: I am rather confused by your argument. Are you advocating that the law should be extended so that certain religious groups cannot say such things about homosexuals and lesbians, or are you advocating that they should be able to say them?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Gentleman replies, I must tell the hon. Lady that if she is referring to another hon. Member, she must use the third person; otherwise, she appears to be addressing the Chair.

Mr. Carmichael: I nevertheless take the hon. Lady's point, Sir Alan. In fact, the inconsistency lies at the heart of the Government's arguments. We are seeking to restrict the scope of the Bill generally, and in this particular example I am highlighting the inconsistency in the Government's approach.

Dr. Pugh: I do not want to be unhelpful to my hon. Friend, but we should lay aside the issue of whether a religion or a faith position is a matter of choice. If, for example, after going through all the arguments someone was obliged to take an atheistic position and could not think otherwise, could that person choose to have a different faith position? I would say that they were more or less obliged, on the basis of the evidence before them, to stay where they were.

Mr. Carmichael: I fear that we may be joining the angels on the head of a pin. No, I disagree with my hon. Friend and I very much appreciate it when he says that he does not intend to be unhelpful. My hon. Friend cannot get away from the fact that certain things cannot be changed, no matter how much we want to change them. I am reminded of the comments of Chief Albert Luthuli, one of the earliest campaigners against apartheid. He referred to apartheid as being the only absolute tyranny because it discriminated against people on the basis of the one thing that they could not change—the colour of their skin. The distinction between absolute and relative tyranny is important as it is the reason why we distinguish between racial and religious hatred. There is nothing rational about racial hatred, but there is something rational about religious hatred. The distinction stands.

I view the Bill not in isolation, but as part of package from the Government that I find distinctly and profoundly worrying. With no particular coherent or strategic approach, the Government are seeking to redefine the nature of the relationship between the citizen and the state. It seems to me that they are playing fast and loose with the freedom of religion and freedom of expression, which, once lost, can never easily be regained. That is why my hon. Friends and I will enter the Lobby tonight in support of the reasoned amendment.

6.19 pm

Mr. Shahid Malik (Dewsbury) (Lab): I begin by saying how proud I am to be making my maiden speech as the Member of Parliament for Dewsbury, which includes Heckmondwike and Mirfield.

I start by paying tribute to my predecessor. Ann Taylor was the first woman to serve as Leader of the House, and the first to be Chief Whip. In both roles, she was renowned for her no-nonsense approach and her sound political judgment—although her judgment has been known to falter on occasion. What else could possibly explain her obsession with Bolton Wanderers?

Ann was not originally from Dewsbury. Like me, she crossed the Pennines to do missionary work in Yorkshire. I must admit that I wondered how a Lancastrian would go down in Yorkshire. I think that it probably helped when I reminded people that, in the wars of the roses, Dewsbury was part of the house of Lancaster, and that I had arrived merely to reclaim it. On a serious note, though, there is no greater privilege for a Lancastrian than to be granted adopted Yorkshireman status. It is a status of which I am extremely proud.

Ann and I follow in heroic but tragic footsteps. Wallace Hartley was born just down the road from my childhood home in Burnley. He too moved to Dewsbury before being offered the job of his dreams—as bandleader on the Titanic. I can only hope that my dream job representing the people of Dewsbury in Parliament does not end in quite so tragic a fashion.

Dewsbury has produced men who have changed the course of human history. They include Sir Owen Richardson, who won the Nobel prize for physics, Sir Clifford Allbutt, who invented the thermometer, and Tom Kilburn, who built the world's first computer. Then there is broadcaster Eddie Wareing, the voice of rugby league for millions. Obviously, Eddie did not quite change the course of human history, but few of us will forget his legendary performances on "It's a Knockout". There is also Patrick Stewart, who went on to boldly go where no man had been before.

Dewsbury can also lay claim to the first published work by the Brontë family—"Winter Evening Thoughts" by Patrick Brontë, father of Charlotte, Emily and Anne, and curate at Dewsbury parish church in 1810. However, such artistic achievements are dwarfed by those of Bert Lee, organist at Ravensthorpe Wesleyan chapel. Although he had never been in earshot of the bells of Bow church, he composed the Cockney classic "Knees Up Mother Brown." I am half tempted to

[Mr. Shahid Malik]

ask my hon. Friend the Member for Ealing, North (Stephen Pound) for a rendition, but I fear that he will take me up on the offer, so I shall not do so.

Dewsbury has also produced some exceptional women, including Betty Lockwood, a miner's daughter who became the first chair of the Equal Opportunities Commission, and Deputy Speaker of the House of Lords. Another is, of course, Betty Boothroyd, who spent 20 years searching for a parliamentary seat. It did not take me quite so long, although there were times when I wondered. Betty went on to become the first woman to hold the most noble, prestigious and elevated office in the land when she became Speaker of the House of Commons in 1992.

Sadly, Dewsbury hit the headlines earlier this month for all the wrong reasons. The story of an horrific assault on a five-year-old boy abducted and nearly hanged by a gang of schoolchildren in a wooded area known as Devil's ditch shocked the nation. Of course, Devil's ditch was a figment of the tabloids' imagination. Far from a gang of children being involved, the police charged only one child and said that they were not looking for anyone else.

I want to pay tribute to the sensitive way in which chief inspector Keith Hallas and his team handled their inquiries. If only the national press could have followed suit: the feeding frenzy that followed, the hounding of families and the demonising of children—and especially of those wrongly incriminated—was appalling. As a governor of Earlsheaton school, I want to place on record how proud I am of the pupils, parents and staff there. I am proud, too, of the way in which the community in Earlsheaton and Chickenley has pulled together and got through this difficult period.

I now turn to the subject of today's debate. There are three things that perhaps qualify me to speak with some authority on this subject. The first is that I stand here today, the first British-born Muslim MP, but representing a seat with the highest BNP vote in the country. The second is that, as a former member of the Commission for Racial Equality and as the only commissioner from Great Britain on the Northern Ireland Equality Commission, I have spent a lot of time and much of my working life fighting sectarianism, bigotry and hatred. My own life experiences are the third reason why I consider myself qualified to speak in the debate.

When I was beaten to a pulp by a gang of skinheads on my first day at high school, it was not because of my religion. They did not know or care whether I was a Christian, Hindu or Muslim—or, for that matter, whether my family was Indian, Pakistani, Bangladeshi or from Burnley. In those days we were all seen as "Pakis" and we were all fair game.

The world has changed, however, and Parliament must be receptive and reflect the new reality. Now, when I receive anonymous hate mail or the family car is firebombed in the middle of the night, or when abuse is hurled from cars that whisk by, or I am surrounded by a gang of 20 thugs from Combat 18 telling me that I am going to die, it is because I am a Muslim.

Whether I choose it or not, I am defined by others in terms of my religion, and by my perceived culture. All I ask for is equal protection under the law—no favours, just fairness. I am not asking for the right to censor, stifle, or muzzle those who want to criticise, mock or even offend. "The Satanic Verses", "Perdition", "Jerry Springer the Opera" and "Behzti" may have offended thousands and perhaps millions of people across the world, but this Bill will not infringe the right of artists to perform, writers to criticise or comedians to satirise. Jim Davidson and Bernard Manning are still free to make their crass and offensives jokes under the current incitement to racial hatred laws, and Rowan Atkinson can still dress up as a vicar—or anything else that takes his fancy—under the new laws.

Fundamentally, this Bill is not about abstract notions of freedom of expression, but about very real notions of freedom from oppression. Of course, the new law must apply equally to all those who inflame discord and incite hatred. As I have challenged the poison of Nick Griffin and the BNP, so too have I challenged the poison of Sheikh Omar Bakhri and al-Muhajiroun, and I will continue to do so. A modern Britain has no place for extremism of any order.

We often talk of our pride in the British tradition of tolerance, but I advise hon. Members to throw tolerance in the bin. When one is cut, one tolerates the pain, and when one misses a train, one tolerates the wait, but those are hardly positive experiences. Tolerance is fickle and, in this context, meaningless. I do not want to be tolerated, and neither do women or people with disabilities. We need to move to a society that goes beyond tolerance, and which moves towards acceptance.

In constituencies such as mine, people live parallel lives. There is severe segregation. It is ignorance of other cultures and other faiths that breeds fear: it is fear that breeds hatred, and hatred that breeds ignorance. It is our job, as politicians, to break that cycle and push for even greater integration.

At this point, I feel that I would be failing in my duty if I did not mention how abhorrent I found the Conservatives' general election campaign, which ruthlessly exploited voters' insecurity about issues of immigration. It was profoundly depressing and served only to give the far-right fascists the credibility that they crave so desperately.

On a positive note, we have never before had such a diverse Parliament, yet the commonality we share by far outweighs the diversity that exists. While it is right that we celebrate our diversity, we miss a trick by not celebrating our commonality too. Britain is proud to be a diverse society, but we must fight to prevent it becoming a divided society.

The Bill that we are debating today is a step on the way towards achieving that objective. It may be a small step, and perhaps it will be used only in extremely rare cases, but it still sends out a very powerful signal of what is, and what is not, acceptable in our modern-day society. It still sets out the parameters of decency that we expect from citizens in a cohesive, forward-looking Britain.

I fully accept that legislation alone is not enough to change people's hearts and minds, but as Martin Luther King once said:

> "It may be true that the law cannot make a man love me, but it can keep him from lynching me and I think that's pretty important."

Well, I think that it is pretty important, too.

6.28 pm

Mr. John Gummer (Suffolk, Coastal) (Con): Sometimes, the person who follows a maiden speech has to search hard to find something to be polite about, but on this occasion the House heard a staggeringly good first speech. I am sure that the hon. Member for Dewsbury (Mr. Malik) will be listened to with pleasure and interest whenever he speaks. I have heard that said before, when it was not true, but I am certain that it is true this time. He recounted his personal experiences and the history of his constituency before making a profound and important contribution to the debate in a way that will make all of us believe that we have a worthy new MP for Dewsbury.

My concern about the Bill relates to unintended effect. I agree with all that the hon. Member for Dewsbury has said about the need for a tolerant society to become a society of acceptance. We should all learn much more about one another and from one another, and we should be prepared to understand more about the world through other people's experiences and deep understandings. I do not think that anyone could accuse me of having anything other than a belief in and a concern for religion, but I do not like Bills that, first, can define neither hatred nor religion satisfactorily.

I am very worried particularly about the fact that religion itself is not defined. I used in an intervention the example of Scientology, which is not a religion in my view. It is a means of making money for a group of people. It was invented for that purpose, and Lafayette Ron Hubbard called it the Church of Scientology to get away with things that he could not have got away with if his organisation had been open in the way that other such organisations were. Under the Bill, it seems almost impossible, by such definitions as exist, for one to be able to say publicly what one needs to say about Scientology, without being in severe danger of being found to have stirred up hatred and contempt.

I hate those people—no, of course, I do not hate them, which shows the problem with the word "hate". Decent people do not hate, but people who judge whether or not people hate may say that what is stirred up in them is hatred. That is the problem with the definition of hatred. None of us would like to be accused of either hating or stirring others to hate, but I find it very difficult not to feel very strongly about Jehovah's Witnesses who—believing the words of a crook, Charles Taze Russell—kill babies by not giving them blood transfusions. If I were to say that outside the House, it would be considered as stirring hatred. I am not doing that, but it is not me who decides whether I am stirring hatred; someone else decides that I might be stirring hatred in someone else by using those words.

Miss Widdecombe: Does my right hon. Friend agree that one of the problems with the definition is shown by the fact that what he is proclaiming is hatred of the act, not of the person who performs the act? Indeed, that is one of the most crucial distinctions that Christians make. Yet in proclaiming hatred of the act, under these provisions, he could be very easily accused of hating the people who perform the act.

Mr. Gummer: I agree with my right hon. Friend, and the question that she asked, which the Home Secretary failed to answer correctly, was exactly to the point. If what the Home Secretary said was what the legislation said, there might be a different argument, but what he said the legislation said it does not say—or, at least, it says more than that.

The same must be true of Satanists or witchcraft. There was a great deal of discussion about witchcraft organisations doing a whole range of things in certain churches. There is a certain religion in which it appears that babies stolen from their mothers have been passed off as a kind of miracle children. I am not suggesting that many people adhere to those beliefs, but I am suggesting that pretty tough words may need to be used about them, and the result of those words could well be that some of the people to whom they were addressed would consider that their use stirred up hatred against them. I merely say that that is a strong possibility.

Those are examples of what might happen, whereas the Home Secretary has provided not a single example of what the Bill would stop. Labour Members must accept the fact that this is the first Bill of such seriousness on which the Home Secretary has come to the House without explaining the examples that led him to make this decision. I therefore go on to why people should be worried about the Bill.

It is all right for some of the hon. Gentlemen who have now left the Chamber to say that they want reassurance from various groups of Christians. During the past few months, in the town neighbouring my constituency—Ipswich—a group of Christians who have proclaimed their views in the streets for many years were ordered to go to the police station to explain why they should not be arrested for stirring up hatred. They had a very difficult time. They happen not to be a Christian group with whom I have much in common. They are a narrow group of rather old-fashioned believers of a Brethren type, but I will defend them for ever; they should have the right to proclaim their faith in Britain and not to be stopped and taken to the police station by the police. If that can be done under the present law, how much more likely that it could be done under the Bill? After all, if the Home Secretary is saying nothing else, he is saying that the Bill will make the law tougher. If it will not make the law tougher, why is he introducing it at all?

Mr. Grieve: I can confirm that, in my constituency, street preachers have been told that they may preach, but that they may not say that those who do not share their views are destined for hell, because that is insulting, apparently. I agree entirely with my right hon. Friend that that happens under the present law under which the Bill is proposed by the Government, and the consequence is that such things must fall foul of the more draconian penalties that would be visited under the law, as amended.

Mr. Gummer: My hon. Friend is right. Of course, one of the problems is that we are dealing with an atmosphere in which quite a lot of people do not really believe that there is much to choose between various religions, that one should not therefore get too hot under the collar and that the only thing that really matters is that people should be extremely nice and tolerant to other people. That is their problem, and it is why, when I stated the truth about the history of the

[Mr. Gummer]

Jehovah's Witnesses, a number of Labour Members thought that I was being scandalous in telling the truth. That is, of course, hurtful, but it happens to be true. That is the difficulty that we are dealing with in the Bill.

I am one of those people who did not change religion, but who changed denomination, and I must tell the House that prejudices by no means disappeared—my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) will agree—but 100 years ago, much of what could be said about Muslims and the like would have been said about Catholics in this country. We solve these problems not by protecting people, but by arguing the case and making people understand the truth. That is the nature of these matters.

I have never agreed with the hon. Member for North Antrim (Rev. Ian Paisley). I believe that his teachings and attitudes are so far from the Christian religion that I find it hard even to put them in that context, but I would defend his right to attack Catholics in the tough way he has done, because that is the only way in which people feel free in a free society to show why such things matter to them. In a sense, I prefer those things to matter to him enough for him to insult my faith, my belief and what is most important to me to stopping him; because in stopping him, I would dehumanise him and reduce his ability to be himself in our society. That is a crucial part of freedom. Freedom allows him and his friends to shout at me when I march through Walsingham, and to shout at me the things that hurt most. When we choose a religion, we choose something that may well be more important to us than anything else on earth. Therefore, I have to put up with him, but I do so because that is what freedom is about; it is not putting up with people who argue with us about things that do not really matter to us or anyone else.

Dr. Nick Palmer (Broxtowe) (Lab): Will the right hon. Gentleman give way?

Mr. Gummer: I really cannot give way.

So I come to that verse from the Koran. If we read that verse or many others from the Koran in a secular circumstance, with people who are not at all particularly supportive of religion, we find that it is very difficult to interpret in any way whatsoever but as one that stirs up hatred. It is perfectly possible to find another interpretation in the circle of Koranic experts or among those for whom such things are revealed, but once we move outside those categories, it is very difficult to argue that its use anywhere else would not stir up religious hatred against the people who believe those things. In that case, those people are being encouraged to behave in a way that we would find entirely intolerant. Therefore, if I want the Koran to have the respect that it should have, even though I have the doubts about its origin and the nature of its founder that have been expressed elsewhere, I believe in the integrity of those individuals. If I want to protect them, I beg them not to give the protection to themselves that could so easily rebound against them. That is the question that gives us most concern.

I end with the point about unintended effects with which I began. The trouble with the Bill is that it has not worked out what it will do; it does not even define the two key words on which it is based. It does not give us a single example of an occasion on which it would provide a protection that does not already exist, nor is there an obvious example of someone or some group who, because the Bill has not been the law, were severely disadvantaged. What the Bill does, however, is to stir up great fear among people as different as the Brethren, the Catholics, some Muslims and some Hindus—among people who are secularist or deeply religious.

The Home Secretary cannot but accept that the Bill has caused some of the most serious thinkers on the subject of freedom considerable concern. He cannot dismiss Justice's concerns or the concerns of many major Christian denominations and of many major leaders of the Muslim community. Even at this late stage, is not this an occasion when he should remove the Bill and turn to the Lester amendments, which seem to get the balance right? After all, freedom is the means by which all religion is protected; the lack of freedom destroys us all. Pastor Niemoller was right: unless we are prepared to protect the freedom—

Mr. Deputy Speaker: Order. The right hon. Gentleman has had his time.

6.41 pm

Mr. John Denham (Southampton, Itchen) (Lab): I was pleased to be in the Chamber to hear the excellent maiden speech of my hon. Friend the Member for Dewsbury (Mr. Malik). He and I first met in the months following the disturbances in Burnley when, as a Home Office Minister, I was responsible for co-ordinating part of the Government's response. Burnley is my hon. Friend's home town, and he shared some of his experiences. What he said tonight reminds us that the debate we should be having is not an abstract one about this or that possible consequence of a piece of legislation in some other world. We need legislation for the society in which we exist—one of conflicts and division, where, as members of the Select Committee on Home Affairs heard in our most recent inquiry, the daily experience of the Muslim community in particular is of systematic abuse and discrimination.

I differ from the right hon. Member for Haltemprice and Howden (David Davis), the Conservative spokesman, who advocated their fundamental view that such issues are best dealt with by debate and not by legislation. In the past, that argument has been used to resist race discrimination and equality legislation. When we look across Europe we find two things. First, the UK has a much more extensive system of legislation against racial discrimination, racial inequality and prejudice. Secondly, despite our manifest problems, we have a somewhat better record on dealing with the problems and challenges of a diverse society than those European societies that choose not to address them but to rely on the tradition of debate and tolerance. Over 30 years or so, the UK has with some success updated and adjusted its framework of anti-discrimination and hatred legislation to respond to emerging problems and issues.

That is what I believe the House is being invited to do, for the third occasion, on religious hatred. We are addressing not an abstract issue but the reality that unless we change the law, incitement to hatred and violence against major communities in our society will

not be dealt with fairly and consistently in comparison with other religious and ethnic groups. The legislation will bring a degree of consistency to the treatment of different groups.

Mr. Boris Johnson *rose—*

Mr. Denham: I shall give way once.

Mr. Johnson: Can the right hon. Gentleman do better than Ministers on the Treasury Bench and give us a concrete example of a course of action or a speech or writing that the Bill would outlaw?

Mr. Denham: There is of course incitement legislation already. If one were to publish a leaflet saying, "We don't want Jews living round here, let's drive them out", it would be caught under a section of our existing legislation that would not catch the same Act if the word "Jews" were replaced by the word "Muslims". As has already been correctly pointed out, there is a range of legislation to deal with the incitement and harassment that can often apply in individual cases.

In the past, however, the House has decided three things: first, in relation to race, that action against a group of people, as opposed to particular individuals, is so pernicious and corrupting that it should be outlawed; secondly, that the corrupting effect of racial violence or harassment is such that it should be an aggravated offence—we treat it differently from the same action against other groups; and, thirdly, only two years ago, that an act against someone on religious grounds should be explicitly an aggravated offence. The one thing that we have not yet done is to extend protection to a religious group. We have an entirely anomalous situation: because of case law, some groups, especially Jews and Sikhs, are protected by the law, but Muslims and Christians are not. My argument is that we should extend that protection to those groups.

Dr. Evan Harris *rose—*

Mr. Denham: I shall not give way as the time for debate is limited.

Mr. Marshall-Andrews: Will my right hon. Friend give way?

Mr. Denham: This must be the last time.

Mr. Marshall-Andrews: I am very grateful. I should like my right hon. Friend to address an issue that causes me great concern. In Europe, in his lifetime and mine, there have been times when hatred has been stirred up against socialists and communists that has resulted in persecution and death. People who believed passionately in their politics or their faith were persecuted. Would my right hon. Friend be in favour of extending the law to protect those beliefs and value systems if the same situation occurred in the United Kingdom?

Mr. Denham: There is a perfectly legitimate argument, which has been raised by some groups in the debate on the proposals, about the extension of the principle of incitement against all sorts of groups and beliefs. However, the fact that such a debate takes place should not prevent us from addressing the problem in our existing law.

Dr. Harris: Will the right hon. Gentleman give way?

Mr. Denham: No, I need to make progress and many Members want to speak.

I want to deal briefly with some of the major objections to bringing the law on incitement to religious hatred into line with our existing legislation. The House has already addressed some of the problems of definition. Two or three years ago, when we decided to make religion an aggravating factor, we implicitly accepted that the courts would be able to decide what a religion was; otherwise the changes to the law in 2001 would not have been workable. The House had no objection to making a religiously motivated offence an aggravated offence. That has already been accepted. We accepted that it would be a workable principle when we incorporated in law the European convention on human rights.

There is an argument that people cannot choose their race but can choose their religion. I do not believe that that argument holds water in any practical way. For the purposes of this debate, it is like saying to a Muslim who is fed up with facing aggravation and harassment, "You really brought it on yourself. Why don't you become a Jew?" That is a ludicrous argument.

To take the point further, a person cannot choose their parents and their ethnic background. So, if they happen to have Semitic parents and are Jewish, there is protection under the law, but if they happen to have Semitic parents and are Muslim, which is true of some Palestinians, although by no means all, there is no protection under the law. We have an anomalous situation. Race, religion and culture are in truth intimately intertwined, which was actually the very basis on which the courts chose to define Jews and Sikhs as ethnic groups under race relations legislation.

Several hon. Members *rose—*

Mr. Denham: It is not possible to make the separation that hon. Members have tried to make.

Dr. Harris: Why will you not give way?

Mr. Denham: The hon. Gentleman knows that time is limited, even if one takes interventions. Many hon. Members wish to speak, so I want to make some progress.

Although this will not be expressed in the Chamber tonight, let us face up to the reality that this issue is controversial in our society because the main group of people who have expressed the concerns addressed by the Bill is Muslim. People in our society ask why we should extend such protection to Muslims. Although we do not hear this in the Chamber, people say, "Well, if they want to come here, why do they need this protection?" Of course, that rather sublimely ignores the fact that the vast majority of Muslims in this country are British, were born here, have nowhere else to go and have every right to be here.

[Mr. Denham]

There is a pernicious argument that the Bill will protect a rather unpleasant faith. I have no faith and such criticisms of Islam seem to me to be as misplaced as characterising Christians as people who routinely abuse children for the purpose of casting out devils. Appalling practices can be found in pretty much every religion throughout the world but it would be absolutely wrong to characterise them all by those things that we do not like.

It would be right for the House to extend the protection of the law to religious groups, but there are concerns with which we must deal during the Bill's passage. I welcomed the fact that my right hon. Friend the Secretary of State implicitly accepted that the current problem with the Bill was not so much what it said as what most people believed it said. If most people believe that the Bill will make it impossible to have a reasonable discussion about religious belief, that is an objective problem.

Mr. Grieve: The trouble is that those people are correct. If one looks at the ordinary meaning of the Bill and removes the discretion of the Attorney-General, people are absolutely correct that it would be a major fetter on freedom of speech. The hon. Member for Birmingham, Perry Barr (Mr. Mahmood) said that "The Satanic Verses" would be open to prosecution under the Bill, and I must say that I think he was right. That might never happen, but under the exact terms of what the Bill says, it would be the result of putting it on the statute book.

Mr. Denham: Precisely the same objections were made about the Public Order Act 1986, but they have not proved to be the case in practice. The problem is not primarily the Bill as it stands—I shall address its contents in a moment—but the way in which it is perceived outside. Some people believe that the Bill will protect their religious belief from any type of criticism or insult, but it will not. The Government have the major challenge of explaining the Bill to people outside the House.

Although I had a bit of harmless fun with the hon. Gentleman about the relationship between the Bill and the 1986 Act, it is not clear whether the Bill's wording would inadvertently lower the threshold of the test for the impact of what people say. I have read the measure on many occasions and have changed my view several times about whether it would lower the threshold. I do not believe that the Government intended to lower the threshold, so I welcome the Secretary of State's commitment to examine such matters in Committee. There is a case for changing the wording to make it clear that people are the focus of the Bill, and it is important that we do not inadvertently introduce a much lower test.

6.54 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I add my congratulations to those of other Members to the hon. Member for Dewsbury (Mr. Malik). His maiden speech was indeed a delight to listen to. It was full of humour and not altogether uncontroversial, but neither was mine. I hope that he enjoys his time in this place as much as I have enjoyed mine—and that is as friendly as I am going to get tonight.

The Bill is the latest in the long line of oppressive measures that has come out of this Government. However, this one is especially dangerous. At the end of the last Parliament, we passed a Bill that managed to prohibit us even from smacking a naughty child without some busybody turning up with a magnifying glass to see whether that had left a mark. This Bill will curtail not action, but the free expression of thought, which has always been the underlying tenet of our democracy. It did not matter whether one was a fascist or a communist, whether one was a militant evangelical street preacher or a militant atheist, or whether one was a carefully spoken professor of philosophy at Oxford or Alf Garnett, because whoever one was and whatever one thought, one was able to express those thoughts freely. One did not have to work out what someone else might think of those thoughts and decide what to do about them several stages down the line.

I am worried about the definition of intention. The Bill will not be restricted to covering the intended stirring up of religious hatred because, as it says, it will apply if an action is "likely" to stir up religious hatred. A person might not think that his or her actions are likely to result in the stirring up of religious hatred, but if an act of religious hatred follows and someone wants to contend that the person should have thought that that would be likely, what matters is not the intention, but what another party has done.

I shall draw an analogy away from the subject of religion to explain why I am worried. I frequently make speeches about the pro-life issue. Let us suppose that I address an audience with an impassioned speech about what goes on in abortion clinics, as I frequently do, and make the judgment that the audience will be sympathetic to what I say, as they usually are. I could say, "If we could see the unborn children going into those clinics, we would rise up against it." I have used the expression "rise up against it" many times and I mean it metaphorically. It might be that the audience was made up of 100 people and that 99 went away and all they did was to hand out pro-life leaflets. However, one person might take what I said so much to heart that he committed an act of violence against a clinic or, worse still, against someone going to work in a clinic.

That is an analogy, but if I were a vicar, which I will never be because that is something else that I disapprove of, I could be addressing my congregation after making the judgment that it was the usual Sunday morning congregation, so they knew me and I knew them. I might use a metaphor, but someone in the congregation could take the metaphor literally and go out and do something of which manifestly none of us would approve. Under the Bill, I could then be charged with the offence of saying something that was likely to stir up religious hatred. The vague definitions in the Bill seriously undermine it. I would be more reassured if the Bill was about intent, but the definition goes way beyond that.

Then there is the definition of what is a religion. If I say that I think that devil worship should be outlawed, is that stirring up religious hatred? If I say that I do not think that Satanism should be encouraged in Her Majesty's prisons—by the way, I do not—is that stirring up religious hatred? Some of the best conversations that

I have ever had have been with the hon. Member for North Antrim (Rev. Ian Paisley). We have had fantastic conversations in the Lobbies. What we have said would probably not bear much scrutiny under the proposed legislation. However, the hon. Gentleman and I have enjoyed our conversations, and I want to ensure that people can continue enjoying the freedom of religious debate, which I think will be severely curtailed under the Bill.

I do not believe in inciting hatred that results in violent acts, or hatred that results in serious discrimination. However, I believe in the right freely to criticise, and to do so in the strongest possible terms. If one of the hon. Gentleman's band of followers wants to stand in the street, point his finger to me and say, "Ann Widdecombe, you are bound for hell", I do not want to go whimpering to a policeman. I want to turn back and say to him, "Now let us discuss that because I have got absolute proof, mate, not you." That is how I want to react. That is democracy. That is a free society. That is human beings having the basic confidence in their own convictions to accommodate other people's convictions regardless of how offensive they might be to them.

There was a time when that was an ordinary way of British life. We do not need to sacrifice it in the name of yet another load of oppression from the Government, another load of political correctness and another serious removal of freedom from our country.

7.1 pm

Mr. Jamie Reed (Copeland) (Lab): I crave the indulgence of the House in interrupting such an important and enjoyable debate to deliver my maiden speech. Furthermore, as the first Jedi Member of this place, I look forward to the protection under the law that will be provided to me by the Bill. I pay tribute to the hon. Member for Dewsbury (Mr. Malik) for his convincing and searing testimony in support of the proposed legislation. It will be a privilege to serve alongside him.

First and foremost, I pay tribute to my predecessor, the recently ennobled Dr. Jack Cunningham. For 35 years, Dr. Cunningham served Copeland with dedication, diligence, foresight and no small amount of flair. His example is that of what can be achieved by ordinary working-class children with the right opportunities, encouragement and ambition. Dr. Cunningham has left me with a solid legacy upon which I hope to build—record levels of employment in Copeland, huge investments in schools with accompanying increases in standards, improving public services and, in Whitehaven, a town that has been transformed.

As a constituent, I, like many others, will miss Dr. Cunningham. However, as a friend and successor I know that he is, literally, not too far away from this place and that he will be on hand to give advice, both solicited and unsolicited, in the coming years. I hope sincerely that I can emulate his achievements.

I wish to thank Thompson and Frances May Reed, without whose support, advice and example I would not be standing in the House today. It is a sincere privilege and pleasure to be a Member of the House. However, I am cautious of becoming that which many people refer to as a parliamentarian. I am well aware of how this environment can captivate those who work within it. It has the power to cajole Members into its privileged embrace and, in some instances, to encourage those very same Members to forget why it was that they fought to enter the House in the first place.

I stand before the House as someone who has the sincere honour of representing the constituency of my birth, mindful that I am here to ensure that Parliament serves the needs of my constituents and not simply the needs of itself. I am genuinely proud to represent the people who I grew up with and the communities within which I grew up. They have placed an enormous amount of trust in me and I will do everything within my power to repay their faith.

Without doubt, Copeland is the most beautiful constituency within the whole of England. My constituency—my home—can be found on the west Cumbrian coast. Wastwater, England's deepest lake and Scafell Pike, England's tallest mountain, reside within it. This extraordinary environment produces extraordinary people who in turn are capable of extraordinary achievements.

From the village of Distington in the north to the town of Millom in the south, and through the mining villages of Pica, Lowca, Parton and Moresby, we can see the sort of community spirit that is all too rare in modern Britain—a community spirit that is based upon mutual support, shared experiences and a commitment to compassion and solidarity in times of need. Those villages represent that sorts of communities upon which our great nation was founded and the untapped potential that we still possess.

Just south of those villages is the town of Whitehaven, once one of Britain's most prosperous and important ports, and today one of our hidden national treasures. The harbour dates back to 1664 and was for many years a major trading post with the new world. Those links to and with the United States continue to this day and are perhaps best illustrated by my informing the House that the grandmother of George Washington is buried in the grounds of Whitehaven's St. Nicholas church alongside her servant, an African slave.

As a staging post for the young Jonathan Swift, the view of the town from the surrounding high ground is reputed to have provided the inspiration for Lilliput, the fictional land of "Gulliver's Travels". Further, the town's pre-eminent maritime reputation was recorded in the middle of the 19th century by the great American novelist Herman Melville in his epic book "Israel Potter", in which he chronicled the famous invasion of the town by the American continental navy during the opening years of the war of independence. As 2005 is the international year of the sea, there can be no better place within the UK to celebrate it than in Whitehaven. This weekend, in excess of 250,000 people will do just that as they flock from throughout the country to take part in this town's biennial maritime festival. I urge my right hon. and hon. Friends, if they have the chance, to do the same.

Leaving Whitehaven, we travel through the towns of Cleator Moor—home to Keir Hardie, Robert Owen and William Morris avenues, which perhaps gives a clue as to the politics of the town—and the medieval town of Egremont, which is now world famous for its crab fair and annual gurning championship. South of that lies Seascale, Calder Bridge, Ennerdale, Wasdale and

[Mr. Jamie Reed]

Ravenglass, before we encounter the outstanding natural beauty of south Copeland and the villages of Waberthwaite, Bootle and Haverigg. The south of Copeland is known for its remarkable meats and delicacies and its superb locally produced beers, all of which are on a par with, or better than, anything that is produced on the continent. Until now, I have deliberately omitted to mention Santon Bridge, the venue for the internationally renowned biggest liar in the world competition. I have never been an entrant in that competition and my speech is not an application to take part in this year's event.

It is only right that I now pay tribute to all of those exceptional men and women from my constituency who have served so honourably in our armed forces. This proud tradition continues to this day and I send my respect, gratitude and thanks to all those—and their families—who are in service on our behalf.

I do not pretend to be the authentic voice of my generation, but as we prepare to celebrate the 60th anniversary of the end of the second world war I must, on behalf of my generation, offer a long-overdue gesture of thanks to that generation who fought against the tyranny of fascism. My generation owes all that it has to that golden generation of men and women. Our thanks may perhaps be best expressed by working to ensure that those who gave everything they had to ensure the survival and prosperity of my generation are now looked after properly by us and allowed to live their lives with the dignity and respect that they deserve in the embrace of a grateful nation.

I have taken care to mention many, but by no means all, of the communities within my constituency, as those communities have selflessly served this country for centuries. In 1778, the townsfolk of Whitehaven repelled the invading forces of the American continental navy, led by a one-time son of the town and founder of the American fleet, John Paul Jones. That attack sent a tremor throughout the empire, proving that our island was not impenetrable and that the colonial rebels were serious about their intentions. That service for our country by the people of my town established an esprit de corps which has since been replicated throughout all the communities of my constituency, and remains so until this day.

When the nation's appetite for coal and iron ore was at its peak, the men, women and children of Copeland gave their good health and often their lives to feed that hunger. My great grandfather, whose body still remains entombed alongside those of his friends and fellow workers in the ruins of Whitehaven's Haig pit, is one such example. The need for coal to fuel the development of the nation and the empire led to an undersea pit being sunk at Saltom, a feat of engineering akin to the construction of the channel tunnel. Work began in 1729 and by 1731 the pit had reached a depth of 456 ft. It represented the first attempt at undersea mining in England and was the deepest undersea mine ever at that time. It was described at the time by its architect and driving force, Carlisle Spedding as

"perhaps the boldest thing that was ever undertaken."

That was done in the service of our nation.

During the second world war, a small west Cumbrian village produced munitions for the war effort. Following the end of the war and the actions of the US Congress in withdrawing from co-operation on an Anglo-American nuclear research programme, this area, known as Sellafield, was chosen as the site at which our country should produce materials for our nuclear deterrent. It was done in the service of our nation. Soon thereafter Sellafield became home to the world's first commercial-scale nuclear power station. That, too, was done in the service of our nation. The passage of time in no way lessens the value of that service or the relevance of those feats. Far from being a distant folk memory, the legacy of those achievements can still be seen from Copeland.

The House will be aware that the UK's nuclear liabilities, from both civil and nuclear military programmes, in the service of this nation remain within my constituency, and that the Nuclear Decommissioning Authority was rightly established by the Government to deal with those liabilities. More than 60 per cent. of all the jobs in my constituency stem directly and indirectly from Sellafield. Consequently, the future of the site and the economic future of my constituency are inextricably linked. Copeland is home to what is probably the single largest concentration of nuclear engineering, operational and technical skills anywhere in the world. That unique skills base represents a priceless national asset and it must be utilised and built upon for the well-being of Britain as a whole, not just my constituency.

Debates in the House about the nuclear industry, particularly the parts based in my constituency, have too often been characterised by wilful ignorance and knowing distortion of the facts. I will never stand idly by while hon. Members play politics with the livelihood of my constituents. For as long as I remain in the House, I hope to be able to contribute a factual voice of reason, not only in this but in many other debates in the years ahead. There will soon come a time when my constituency will ask for its service to the nation to be recognised and rewarded. When that time arrives, I will work to secure the support of the House to ensure that that voice is heard and the debt honoured.

Earlier, I made reference to Whitehaven's regrettable involvement in the slave trade—a practice unquestionably built upon racial hatred. Like many constituencies, Copeland is now an increasingly multiracial, multicultural area and it is the better for it. Legislation such as this Bill is required to ensure that Britain not only safeguards but improves its record on protecting civil rights and liberties. It will also further cultural understanding and social integration. Against a backdrop of rising race-related crime in some areas—Northern Ireland in particular, if the figures published yesterday are to be believed—and the growth of far-right parties in the UK, it is difficult to present a coherent objection to the Bill. I am satisfied that, provided it is undertaken in a sensible, sensitive and effective manner, the implementation of the law envisaged by the Bill would not result in critics' fears being realised. Instead, it would complement existing legislation while assisting in the development of a culture of mutual respect and acceptance among all our many faiths and cultures. The—

Mr. Deputy Speaker: Order. The hon. Gentleman has had his allotted time.

7.11 pm

Rev. Ian Paisley (North Antrim) (DUP): I congratulate the hon. Member for Copeland (Mr. Reed) on his maiden speech. I knew his predecessor for many years, as he served as Minister of Agriculture, and I have had many agricultural interests in my day as a chairman in the Stormont Administration. I always found the hon. Gentleman's predecessor friendly, interested in the matters that I brought to him and a good constituency worker. I am sure that the hon. Gentleman will follow that path. I congratulate him on making his maiden speech from the Government Benches. I, too, made my maiden speech from those Benches. It was a unique affair, because I spoke so loudly that I stopped proceedings in the House of Lords. I thought that that was to my credit, but evidently it was not. However, I congratulate the hon. Gentleman on his speech, and I am glad that he looks forward to his time in the House. I have been here 35 years, and if he is here as long he will deserve his pension.

This has been an interesting and timely debate, and the House has grasped what we are up against. I do not agree with the right hon. Member for Maidstone and The Weald (Miss Widdecombe) about everything, but I certainly agreed with her today. If we cannot defend what we believe to be the right faith, we are not worthy of it, whatever faith it is. We have a right to defend it with the gifts that God has given us. We have a right to quote our historical background, and what has emerged from it. I do not need to put up a sign saying that I am a Protestant, as everyone knows that. I believe that everyone who has a faith should be allowed to preach it, declare it, defend it, and stand up for it. There should not be any curtailment of such activities.

Chris Bryant: Will the hon. Gentleman give way?

Rev. Ian Paisley: Perhaps I will do so in a minute or two. I have only 10 minutes, and it is a sad day when I can preach for only 10 minutes.

The Christian faith and various surrounding denominations have a background, which must be respected. I welcome the Home Secretary's assurance that if a preacher defends what he has believed to be the doctrine of his own Church for many a long year it would be wrong to tell him, "We don't like that language, and we accuse you of inciting people to violence." I hope that before proceedings on the Bill are completed it will include a provision saying that quotations from the Bible, which I believe to be the word of God, and the great religious documents cannot be taken and used against someone because they adhere to them. I do not adhere to the Council of Trent's decree that a person who believes in justification by faith should be anathemised. I have escaped the fires of hell so far, and I intend to do so in another world.

Mr. Leigh: Just wait.

Rev. Ian Paisley: I have faith in Jesus Christ, the saviour of sinners, and I recommend it to the sinner who is trying to heckle me.

Our debate has a history, because many police in this country—I have experienced this myself—have recently decided that certain religious statements are not acceptable. Street preachers have been harassed, as have people who adhere to theologies with which I do not agree. They are entitled, however, to express their beliefs. Voltaire said that he might not agree with someone, but he would fight for his right to express himself. If an atheist can say that, so can I. We have a right to declare what we believe to be right. The Bill will send a sad signal to our nation if it is not made perfectly clear to the people that it cannot be used for those purposes.

The proof of the Bill's success will be in the way in which it is put into effect. The Attorney-General will be in the position of being Pope, and he will make an infallible decision about whether religious intimidation or religious agitation has been perpetrated. I do not know the present Attorney-General, and I do not know who will be the next Attorney-General. I do not know what will happen in our land, but I would not like to put my faith in any Attorney-General to protect the freedom that ought to be mine. There are many misconceptions about the Bill. I missed part of our debate today, because I had an appointment with the Home Secretary to discuss this very matter. I told him that many people think that the Bill has been introduced in the House as a sop to Muslims. That is a general opinion around the country. There is a general belief that the freedom to preach in the streets and so on will be curtailed. The issue must be settled by the House, and our debate has been more than useful, as Members who are poles apart religiously believe in the right of every Member to express himself, stand up for what he believes, take what comes to him, and give as good as he gets. That is good for democracy and good for the country. It reflects the true spirit of this nation and can do nothing but good. But I hope that before the Bill comes to the end of its passage, it will be changed in such a way that there will be no doubt about what it is really about, as the Home Secretary said.

7.20 pm

Mr. Graham Allen (Nottingham, North) (Lab): I celebrate the fact that Britain is one of the most secular societies in the world. After years of political effort and centuries of burning or banning those who disagreed with the prevailing religion, we have reached a position in this country where those who believe in gods do so almost entirely within a liberal tradition—the British culture of respect and tolerance.

It is no longer illegal for us to have a Roman Catholic Speaker or a Jewish Prime Minister, if we so choose. Centuries of aggressive zealotry have taught us by painful experience that practising beliefs and rituals in private, providing others are not harmed, is preferable to public confrontation, social exclusion, truth tests and sometimes death. It is precious and, in a democracy, a priceless state to have attained. Those who wish to disturb it, even for the best motives, should think carefully, above all about the unintended consequences.

Instead of separation and legislation, we need education and integration, not eliminating diversity, but guaranteeing it for all those who are prepared to guarantee it for others. The Bill is bad law. It is not malicious. It is a well-meaning measure, I am sure, honestly offered on the sofa or anywhere else as reassurance from No. 10 Downing street, but good intentions are not enough to bring a Bill before the House.

[Mr. Graham Allen]

We are told that the Bill will help equality of treatment. If equalising religions were the real aim, far greater progress could have been made by seizing this perfect moment to abolish the blasphemy laws, whose repeal was suggested by the Law Commission over 20 years ago. When is the right time, I ask the Home Secretary, for those laws to be repealed? Many of us might have been able to support the Bill's provisions if they applied equally to all religions.

Similarly, if equalisation was the aim, No. 10 could have guaranteed the teaching of all religions and all non-religious value systems in all our schools, which is not the case at present. Instead of reducing the current religious privilege of Christianity in order not to offend some Christians perhaps close to home and to appease some UK Muslims, No. 10 is choosing instead to extend religious privilege. Many of us in the House, content to tolerate existing faith schools, were deeply annoyed at No. 10's successful attempt to extend their number even further by Executive action, without even bothering to consult the House. It beggars belief also that a Labour Government have sponsored an academy that spouts creationism to our young children. When it comes to pushing ever more religion into politics, my view is that not only should we stop digging, but we should have a serious programme of filling in the holes.

The biggest problem with the Bill is false expectations. It is designed to ensure that people who take religion seriously will feel protected. Sadly, exactly the opposite of what No. 10 intends will happen. If passed, the Bill will be a charter for zealots and self-appointed religious vigilantes. They will be on an each-way winner. Either they will be able to obtain the prosecution of their opponents, or, more likely, they will be refused, giving them the maximum opportunity for self-publicising martyrdom and for challenging the authority of moderate members of their faith.

Ministers tell us that those who look to the Bill to protect them from challenge, criticism and debate, let alone ridicule and contempt, will be disappointed. Those who want to ban a play, stop the criticism of the systematic subjugation of women by some religions or force children to wear particular forms of dress will feel aggrieved by this law if, as the Minister promises, it does not give them redress. The finesse between a law and a signal may well be appreciated by moderate religious and political leaders, but it may not be appreciated by their communities.

That will play into the hands of the Protestant bigots, the Catholic zealots and the Muslim fundamentalists alike, for this law will not defend them or their icons from insult or offence. Indeed, cases are likely to concentrate on those who specialise in inflammatory language to prove how devout they are. Rather than mainstream religious communities being defended by the Bill, it is religious extremists who will be queuing up, keen to generate press attention and followers by provoking judicial martyrdom, made all the sweeter if it is at the hands of other faiths.

Ministers may claim that the Bill will not allow religious extremists to protect themselves from criticism or challenge, or to suppress their opponents. Unfortunately, Ministers have no ability to predict how the Bill will be received or used by any particular sect within any religion. Throughout our country, there are members of faith groups and sects who seek to dictate how other people live, particularly if the other people are young, gay or women. Those people treat themselves as the custodians of their religion. They interpret any challenge to themselves as an attack on their religion. They will be the first to seek to use the law, and perhaps the citizen's arrest powers that probably go with it. They will publicly demand prosecution of their opponents and the seven-year maximum penalty.

It will be up to the Attorney-General to accept or refuse such requests, often against a backdrop of controversy or perhaps even in the run-up to a general election. That is a job that no one in his office should have to perform. It will force him to make judgments on matters of faith. It will turn Ministers of the Crown into ministers of religion. It makes the Government judge of what constitutes a religion, who belongs to it, who represents it and when it is permissible to attack it. No. 10 cannot have it both ways. Either the Bill does the business protecting religious minorities, or it does not. Either way, there are consequences to be faced.

There are protections already in law. The law already protects everyone from abuse and harassment. As was pointed out earlier, it is only four years since we added religious aggravation in order to justify additional sentencing under the Anti-terrorism, Crime and Security Act 2001.

Just as there is great confusion in the House, as we have heard in the debate, as to what the provisions will actually deliver, one can imagine the impact of all sorts of judicial interpretation, which I raised earlier with the Home Secretary. He called it "case creep". Already case law has extended racial hatred offences to Jews and Sikhs. That was not in the original legislation. One may argue that that is welcome—I certainly would—but one cannot argue that it was specifically in the Public Order Act 1986. An extension of the Bill might also take place. Those who will be absent from the courtroom will be the vast majority of British people from all ethnic backgrounds who care nothing for the esoteric debates of religious fundamentalists. They will be chilled and silenced by the courts' decisions.

One does not need to be prosecuted for religious hatred. Fearing that they may be prosecuted will be sufficient to inhibit people, whether they are commentators, comedians, the man down the pub, you, Mr. Deputy Speaker, or Members of the House. Open, honest, vigorous debate around ideas should not give way initially to silent acquiescence, sullen grievance and the festering, repressed anger in which racism breeds. Yes, there are those who say, "My religion, my way, allows me to indoctrinate children, to allow no debate, to permit no disagreement, to disallow all alternatives." They are entitled in our culture to think that, but I must be allowed to challenge those views without fear.

My culture comes from the Enlightenment, from rational thought, from scepticism and from several centuries of learning and progress of which there is more to come. It revels in diversity, not exclusivity; it exults humanity and ethical values above superstition and man-made churches; it is worth fighting for; it values tolerance above all things; and it is finished if we, its representatives, refuse to draw lines and defend them. I will not support the Bill tonight.

7.30 pm

Mr. Gary Streeter (South-West Devon) (Con): I agree with much of what the hon. Member for Nottingham, North (Mr. Allen) has said. I did not agree with everything that he said about religion and Churches, but I agree with the main thrust of his argument on the unintended consequences that will flow from the Bill. I want to make five points about the Bill, all of which are, I hope, reasonable, and explain why, apart from the fact that we are on a three-line Whip, I shall oppose it this evening

I strongly support the Government's intention to build a more tolerant society. Most hon. Members know that I come from a committed Christian background and that I am involved with the Church in this country, but I recognise the value that the Muslim faith and other faiths bring to this country. We live in a modern, pluralist society, and we must find space for each other and get along together. We must exchange ideas, but at the same time we must co-exist. I have much more in common with a strong Muslim than I do with an atheist, which is why many of my friends are Muslims—we have great debates and a great deal in common. We must build a pluralist society in Britain, or we are all doomed.

First, the Government do not know what is in their own Bill. During his recent appearance on the "Sunday" programme, the Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Paul Goggins) was asked whether the question, "Was the Prophet Mohammed a paedophile?", which I would not ask of my own initiative, would fall foul of this Bill. His answer was "yes", if the person asking the question intended to incite religious hatred. However, that is not the right answer, because the matter concerns not only intent, but whether the act is likely to stir up religious hatred, which is an entirely different test. The difference between those two offences is huge, and it is deeply worrying that the Minister does not appear to know the test in his own legislation, and I hope that that matter will be clarified.

Secondly, the Bill is unnecessary. Several of us have asked the Home Secretary and other Labour Members to give us examples of activities, speeches and events that take place in our country today that this Bill will catch and that existing legislation does not already catch. We have not heard a single example that would not be covered by public order offences or other religious or racial legislation currently on the statute book.

Ms Emily Thornberry (Islington, South and Finsbury) (Lab): Will the hon. Gentleman give way?

Mr. Streeter: Perhaps the hon. Lady will put me right.

Ms Thornberry: I shall give the hon. Gentleman an example. A young lady on her way to the Elizabeth Garrett Anderson school is on the bus with her head covered. A man starts shouting at her and abusing her because she is a Muslim. That abuse results in an assault on her by a gang of boys, who know not only that she is a Muslim, but that she is white and has converted, which makes the situation worse. In normal circumstances, that man would get off scot-free. Such religious abuse is an insult to people who live in London.

Mr. Streeter: I agree with the hon. Lady that such behaviour is utterly unacceptable. The people responsible should be arrested by the police and charged under existing legislation, which they most certainly could be. I am sad to say that in some parts of the country the police do not provide the service that we used to experience, which is another matter. However, I am convinced that the law already exists to deal with that situation and that we do not need this Bill.

When we discussed this matter in December, I asked the former Home Secretary what we are trying to prevent, and this was his answer:

> "We are trying to stop groups of people who are prepared verbally, communicating through writing or the internet, to incite others to hate because of someone's faith."—[*Official Report*, 7 December 2004; Vol. 428, c.1056.]

He was pressed to provide specific examples, but, like the Home Secretary today, he could not do so. If we are legislating to restrict, or possibly restrict, freedom of speech, we should certainly know why we are doing so and the mischief that we are trying to prevent.

Thirdly, like the hon. Member for Nottingham, North, I am concerned about unintended consequences. He cited a couple of possible unintended consequences of the Bill, and I shall provide another. Extremists exist on the fringes of a number of different religions in this country. They do not come from particular faith groups, and I am sad to say that Christian fundamentalist extremists are present in this country today. Many of my constituents were offended by the BBC programme, "Jerry Springer the Opera"—it offended me, too, but that is my personal problem—but some of the activity by Christian extremists against that programme was reprehensible. It was outrageous to give out the home telephone number of the programme's producer and encourage people to ring it at all hours of day and night, which was not a Christian response to the issue.

If we are not careful, one faith group will see another faith group becoming militant, and it will up the ante. If we are not careful, arguments that are currently confined to our pulpits, our streets and our debating chambers will be taken on to the barricades and into the courtrooms, which will ratchet up the whole process. If one faith group uses the Bill to put pressure on the police, the Crown Prosecution Service and the Attorney-General to prosecute in a certain case, we know that retaliation will follow. Before we know it, we will have holy wars in this country's courtrooms, which will be unedifying. The Bill will not reduce racial and religious tension or increase tolerance—it will do the opposite. If an organisation such as Justice can see that point, the Government should, too.

John Hemming (Birmingham, Yardley) (LD): My constituency is in Birmingham, which is a city with a large number of faiths. In Birmingham, we have a faith leaders group, which discussed the matter earlier today. The faith leaders group includes bishops of various faiths, leading imams and others. It represents the Anglicans, the Catholics, the Muslims, the Sikhs, the Buddhists, the Hindus and the Jews, and it feels that something must be done to address the issue. Will the hon. Gentleman accept the need for change in principle, while accepting that the drafting is a mess?

Mr. Streeter: Legislation is sometimes important, because it can send a signal and drive a stake in the ground; and I am glad that we have legislated on some

[Mr. Streeter]

of the racial issues that we have faced in this country in the past 30 years. However, this is a matter for dialogue, education and relationships, and we must all be much more responsible and active in pursuing those objectives. Even if the Bill is amended, it will not do the job.

Dr. Evan Harris *rose—*

Mr. Streeter: I will not give way because I have used my two interventions.

Fourthly, another unintended consequence will be disappointment in some faith communities, which the hon. Member for Nottingham, North mentioned. I have had many meetings with Iqbal Sacranie, the former chairman of the Muslim Council of Britain, whom I deeply respect and who is a man of the utmost integrity. On the BBC Radio 4 programme, "The Moral Maze", on 14 July last year, however, he said that he envisaged that under the new law any "insult" or "outrageous comments" about Islam or the Muslim community, would be illegal, as would any defamation of the character of the Prophet Mohammed, which would be

"a direct insult and abuse on the Muslim community."

That is simply not the case. If a man of such standing in the Muslim community so misunderstood what the Bill is about only nine months ago, when the Government had already brought it to the House on two occasions, I fear that this law will disappoint people. That will lead to further outrage, protest and reaction, and not to more tolerance but to greater intolerance, protest, and racial, religious and inner-city tensions—the last thing that we need.

For 12 very enjoyable months in my first Parliament, I was Parliamentary Private Secretary to the then Attorney-General, Sir Nicholas Lyell. I saw that he was a man of the utmost integrity, as were the Law Officers, who are men and women who perform a sterling service to the Government. However, even in those days—Members have asked whether there have been changes, but I will not comment on that now—I saw that Law Officers could come under political pressure. I am deeply concerned if our last resort—the greatest safety check in the Bill—is that the Attorney-General will ultimately decide whether to prosecute. Intolerable political pressure could be applied to that office, particularly in the run-up to a general election. That might have two results: first, the integrity and reputation of that office could be damaged further, which we do not want to happen, as we have had enough of that in the past 12 months, and Law Officers are very important people who perform a great service to the Government and to the country; and secondly, poor decisions might be taken for political reasons.

I do not believe that the Bill is the safety valve that the Government claim it to be. It is a very bad Bill that puts Law Officers under intolerable pressure. I hope that the Government will listen carefully to the many points that have been made by Members on both sides of the Chamber tonight and that they will withdraw it.

7.42 pm

Sir Peter Soulsby (Leicester, South) (Lab): My constituency is one of the most ethnically diverse of any represented in this House outside London. In the last census in 2001, more than 40 per cent. of its population described themselves as other than white British, and the proportion is probably somewhat higher today. In giving that description, they used many different criteria, the two most notable being race and religion.

It is not only in the census that the two criteria of race and religion are used as indicators of how people identify themselves. For them, when it comes to race it is not a matter of choice, and, contrary to what has been said several times during this debate, neither is it a matter of choice when they identify themselves by religion. For many of those in that 40 per cent. in my constituency, their religion is as fundamental a part of their culture, family and tradition as their race—in many cases, more fundamental. Of course, it is also on the basis of race and religion that many of those who seek to promote division, discord and hate categorise people in my constituency and in others.

Today, Leicester is very fortunate. Relations between the various ethnic and religious groups tend to be very good, and are very different from how they were in Leicester and in many other places some 30 years ago, and still are today in many places. That is partly because the people of the city have been very sensible in the way they have worked together to understand and get to know each other. It is also because of the general legislative framework whereby promotion of racial hatred is against the law and clearly unacceptable. The legislation forbidding the promotion of racial hatred has not required many prosecutions, but it has provided a legal framework and enabled a culture in which the promotion of racial hatred is totally unacceptable. Of course, it is not only on the basis of matters of race that those who seek to promote hatred categorise others—it is also, sadly, by religion.

The four in 10 in my constituency may have some degree of protection if they are threatened by racial hatred, but it is different if that hatred is promoted purely on the basis of their religion. As other hon. Members have said, particularly my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), there are two exceptions. If hatred is stirred against the one in 20 of my constituents who are Sikh, they will protected, because Sikhism is covered by racial hatred legislation. Similarly, if the one in 100 of my constituents who are Jewish find that hatred is being promoted against them, they too will find some protection because they happen to have an identification that is beyond racial and includes a religious identification. As my hon. Friend the Member for Nottingham, North (Mr. Allen) said, the extension of the law preventing racial hatred has enabled them to get some degree of additional protection. Unlike my hon. Friend, however, I do not feel that that should be regretted as an extension of the existing legislation—rather, that it should be extended to include other religious minorities.

Mr. Allen: Will my hon. Friend give way?

Sir Peter Soulsby: Certainly, because I realise that my hon. Friend may feel that I have misrepresented him slightly.

Mr. Allen: What I actually said was that I was pleased about the extension to cover Jewish and Sikh people but that it had not been in the original legislation, and therefore as we pass legislation tonight there may be other unintended consequences as a result of case law being built on it.

Sir Peter Soulsby: I entirely accept that that was my hon. Friend's point and that he was welcoming the extension; my argument is that it should be extended to other religious minorities, which is the purpose of the Bill.

Dr. Evan Harris: Does the hon. Gentleman agree that case law in cases regarding Sikhs and Jews recognises that the existing laws on incitement to racial hatred protected those groups because they are races as well as religions? Is he not making a good argument for extending the race hate laws to cover religions when the motive is racial hatred, which is what the so-called Lester amendment does?

Sir Peter Soulsby: No; my point was that a significant proportion of my constituents and others identify themselves primarily by their religion, and that that identification that they have of themselves and that others have of them should be protected.

Mr. Hendrick: My hon. Friend makes a strong point, because race and religion are essential in terms of how people see their own personal identity. It is a shame that Opposition Members see religion almost as a lifestyle choice, not as something that is innate in somebody's identity.

Sir Peter Soulsby: The fact is that the law preventing the promotion of hatred on the grounds of race deserves to be extended to those who suffer from the promotion of hatred on the grounds of their religion. Members of certain religions are not protected when, as they increasingly perceive to be the case, extremists promote hatred of them and of their friends, families and communities on the grounds of their religion. The Bill is not about giving special treatment to particular religions—it clearly applies to all, and has indeed been extended to apply to those who have no religion. Nor is it about stifling criticism of other faiths, or, indeed, mocking them or making judgments about them. It is about giving the same protection to those who have hatred stirred up against them because of their religion as is already given to those who have hatred stirred them because of their race.

In recent years, especially since the events of September 2001 but also before that, ordinary, law-abiding, peaceful and productive citizens, who happened to be Muslim, have, with their families, felt themselves targeted and demonised. Of course, we are considering Muslims, but it could be members of other religions, for example, Hindus, in future.

David T.C. Davies: Does the hon. Gentleman concede that many Jewish people have felt targeted since 9/11 and that, unfortunately, some of that has come from a small section of the Muslim community?

Sir Peter Soulsby: That was precisely my point about the way in which the law has been extended, is capable of being extended to prevent attacks on Jews and Sikhs and should be extended to prevent such attacks on Muslims and members of other religions in future.

The Bill will not prevent anybody from being criticised or joked about. However, it makes a clear statement. It will provide a legal framework and help ensure that incitement to religious hatred is as unacceptable in Britain as is incitement to racial hatred.

7.51 pm

Mr. Edward Leigh (Gainsborough) (Con): Earlier, I spoke to someone from the Christian Institute. Hon. Members will not be surprised by that, but I also spoke to a representative of the National Secular Society. I had an interesting conversation with them and the sincerity of both was transparent. Although they disagreed about everything else, those two gentlemen were profoundly worried about the Bill. Their professions are based on vigorous debate, yet they were worried because the measure is different from legislation on race.

It is comparatively easy to define race hatred. As has been said, there have been few prosecutions under that measure. That is not surprising—it has served its purpose. However, religions grow over hundreds of years on layer upon layer of prescription, faith and often strong statements. Therefore when we deal with a possible prosecution on the ground of an allegation of religious hatred, it is far more difficult to define and prove. The scope of the Bill is potentially far wider than legislation on race hatred.

All hon. Members are united in the view that we should bear down heavily on people who try to incite racial hatred. However, there is a strong division of opinion about the way in which we deal with people who have extremely strong religious views. In a moment, I shall refer to strong and violent statements in the Christian Holy Book. Before I sit down, I shall quote them. Some might take the view that those statements, however honest their proclamation, could lead, whatever the intention of the person making them, to an act of religious hatred. We are therefore in a difficult position.

I am trying to understand the Government's position. The trouble with such debates is that one often gets the impression that neither side is listening to the other. However, the intervention of the hon. Member for Islington, South and Finsbury (Ms Thornberry), who has unfortunately left, was interesting. She cited the case of a young girl who was wearing a veil and was insulted on the bus. She said that the case could not be prosecuted under existing legislation because the girl was white and the person insulting her was doing so not because of the colour of her skin but because she was wearing a veil. I am grateful for a private conversation with my close friend the hon. Member for Oxford, West and Abingdon (Dr. Harris) on that. He pointed out that that person would have been caught under public order legislation. Thus many examples of harassment, violence and abuse, which those who support the Bill cite, are covered by existing legislation, which is widely drawn.

Mr. Hendrick: My hon. Friend the Member for Islington, South and Finsbury (Ms Thornberry) was not making the point that the girl was insulted because she

[Mr. Hendrick]

was wearing a veil. She was insulted because she was a Muslim and the veil identified her as a Muslim. In addition, the Public Order Acts, unlike the Bill, would not treat the matter as aggravated behaviour. *[Interruption.]*

Mr. Leigh: Other hon. Members say that they would. We could have a legal argument about the matter. The vital, central point has been made that, when a Government introduce a Bill of such importance, the Home Secretary, Government Back Benchers and the person who makes the winding-up speech cite a series of statutes that do not deal with the problem, yet not a single example has been given.

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): The hon. Gentleman should know about the extensive evidence that the Association of Chief Police Officers provided to the House of Lords Select Committee on religious offences. It gave shocking individual examples. He may not know that, in my constituency, a letter was circulated that suggested that a specific religion chose to abuse sexually young women to recruit them. It was clearly designed to stir up religious hatred between two religiously separated gangs. It succeeded to such an extent that one young man had his arm cut off.

Mr. Boris Johnson *rose—*

Mr. Leigh: Before I reply, I shall give way to my hon. Friend

Mr. Johnson: The Public Order Act 1986 was amended in 1998 so that a person commits an offence

"if he displays any writing, sign or other visible representation which is threatening or abusive or insulting within the hearing or sight of a person likely to be caused embarrassment, alarm or distress".

The offence is called religious aggravation. That covers the case that the Under-Secretary cites.

Mr. Leigh: It would have been helpful if the Home Secretary, instead of taking refuge in saying that he was not prepared to discuss actual cases, had given generic examples. We have had only one example, for which I am grateful. We got the Under-Secretary to give an example, to which we immediately received a response, showing that it was caught by public order legislation. We must do better. The case to which the Under-Secretary alluded was so extreme that I cannot believe that existing legislation would not cover it.

Fiona Mactaggart: The police were aware of the legislation. The case was not covered by it because it was claimed that the practice was associated with the religion. People claimed that a specific religion recruited through sexual activity. The other three examples that I cited were considered by the House of Lords Select Committee. Any hon. Member can read them.

Mr. Leigh: I am grateful. The Under-Secretary will have the opportunity to wind up the debate. We want clear examples of why existing legislation is not adequate.

Perceptions are important. Our society, which is uniquely liberal, has been built up over 400 or 500 years of vigorous religious disputation. That disputation, which is healthy and often couched in strong language, defends liberty and democracy. If we repress that, we will build up resentment and perhaps make matters much worse. The Australian case of Pastor Scot has been mentioned. I was interested by the Home Secretary's defence. He said that it would not happen here because the Bill is more tightly drafted. However, the pastor in Australia was prosecuted under the religious hatred provisions in Australian law, which are similar to the Bill's. If Pastor Scot were to engage in those activities in this country once the Bill had become law, there is a real chance that a complaint would be made to the Attorney-General, at the very least.

The Home Secretary used the great defence that the Attorney-General will have to make the final decision. However, enormous pressure will be put on the Attorney-General, particularly in the heightened political atmosphere leading up to a general election. That point was made in the excellent speech by the hon. Member for Nottingham, North (Mr. Allen), who is a convinced atheist—perhaps a member of the National Secular Society; I do not know. He made a powerful point.

We should listen to the argument that the Bill could make things a lot worse, rather than better. Perceptions are important. Do we want to live in a society in which people feel frightened to express strong views? I understand that there are evil people of bad intent who will use religious disputation to cover an act of racial hatred. Surely, however, the answer to that is that they will be caught by the Lester amendment, so why cannot we in this House unite around that amendment? After all, we all abhor people who behave in that way, and we all say that we do not want to limit strong religious discussion, so what is the harm in the Lester amendment?

Dr. Evan Harris: The hon. Gentleman will be pleased to know that I have found the reference in the evidence to the House of Lords Select Committee on religious offences to which the Under-Secretary referred. A letter on page 43 of volume 2 from Detective Chief Inspector David Tucker lists documents including National Front leaflets calling for "No Mosques, No Muslims". Such leaflets, even if they were not already caught by the public order legislation that was used in that case, would be caught by the extension of the law on racial hatred to cover race hate going under the proxy of religious words. That is why even the examples that the Minister cited would be covered by the Lester amendment, as they rightly should be.

Mr. Leigh: I am very grateful to my friend for his intervention, and I hope that it will attract a comment from the Minister later. It is important that we get this right, because we are dealing with such a precious commodity. This is not some little Bill dealing with planning issues in the south-east—*[Interruption]*—important though they are, of course. The Bill deals with a matter that is fundamental to what this House is supposed to be about, yet we are still surrounded by a

fog of ignorance as to how many prosecutions there might be, the effect that they might have on society, and whether they would limit the kind of debate that we all welcome. I cannot believe that those who are promoting the Bill—particularly the Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Paul Goggins), who is a very fine man—would intentionally do anything to limit vigorous discussion. We need answers to these points when the Minister winds up the debate.

I promised that I would read the following extract, which is very strong. If I went out and spoke in such terms and someone in the audience then committed some act against another religion, would I be caught by the Bill?

"Woe to you, teachers of the law and Pharisees, you hypocrites! You are like whitewashed tombs, which look beautiful on the outside but on the inside are full of dead men's bones and everything unclean.

In the same way, on the outside you appear to people as righteous but on the inside you are full of hypocrisy and wickedness.

You snakes! You brood of vipers! How will you escape being condemned to hell?"

As the hon. Member for Rhondda (Chris Bryant) will know, that is from the gospel according to St. Matthew, chapter 23, verses 27, 28 and 33. Would Christ have been prosecuted under this Bill in the first century AD for stirring up religious hatred?

Chris Bryant: He was crucified!

Mr. Leigh: Indeed he was. Can we take that risk? We should reject this Bill and vote it down at 10 o'clock tonight, because it is altogether too risky.

8.4 pm

Dr. Tony Wright (Cannock Chase) (Lab): The hon. Member for Gainsborough (Mr. Leigh) may live to regret his earlier remark about trivial planning matters in the south-east. It reminded me of Mrs. Thatcher's alleged remark about the environment being a rather boring issue.

This has been an extremely good, genuine debate in which Members have not simply been reading from a script. However, it has been striking that, while different views have been expressed on this side of the House—I shall express some more in a moment—there has been a uniformity of view on the Opposition Benches. I should have liked to hear a greater variety of views from over there. That uniformity might in part reflect the fact that the Conservative party, in its attenuated condition, has come to speak only for comfortable England. It should not be smug about this, because we have also heard some powerful voices today who speak for uncomfortable England. Those voices also need to be attended to; if they are not, there will be consequences with which we shall not feel happy.

I speak as someone who has reservations about these proposals. At the heart of the problem is the question—to which we keep returning from a number of angles—of how we can protect believers who may be under attack without damaging the ability to attack belief itself. How do we protect believers while maintaining the right to attack belief? That is the liberal dilemma with which we are wrestling. What we are debating is important; this is a genuine dilemma. I suspect that many of us here want to remedy a wrong, and to extend protection to those who say that they need it because of how things are now. Part of the liberal tradition wants always to protect minorities that need protection. Another part, however, says that we want always to guarantee the maximum ability of people to say what they want to say about anything. Indeed, our history over several centuries has been about establishing the integrity of that tradition. However, some of the exchanges that have taken place today might lead us to believe that the past 300 years never took place.

I understand what people say about asserting the fact that religious belief is integral to identity, and that it is the same as belonging to a racial group, but that is precisely what we have emancipated ourselves from. It was precisely the belief that religious identity was the definition of identity that enabled us to slaughter each other quite merrily for a long time. We have now managed to liberate ourselves from that view of the human condition, and it is important that we hang on to the knowledge of what the liberal tradition is all about in this respect—namely, that belief systems of all kinds have fundamentally to be matters of choice. Some people might come to regard them as matters of identity, but the point is that, in our tradition and society, with our history, we have made them matters of choice. That is what our liberal society is about. If we are now saying that we want to depart from that, I suggest that we shall cross a line that, on reflection, we would not want knowingly to cross.

I hate bigotry. I hate religious bigotry. All decent people should hate bigotry. I would like to incite people to hate bigotry, and I am worried about provisions that say that I cannot go round inciting people in that way. That incitement—which, as we have heard, involves loathing and intense dislike—is integral to our tradition.

We constantly return to a central dilemma. The beliefs and the believers are rolled together. I want to do all that I can to protect believers who feel that they are inadequately protected at present, but I need to be shown how I can do that without encroaching on the tradition that enables me to attack beliefs, and to attack them in the most vigorous and robust way possible.

I do not think that the Bill in its current form does that. I think that it is inattentive to the distinction that I have described. I think that the Government must do more work. I did not manage to vote for the Bill on its earlier outings. I would love to be able to vote for the half that represents the liberal tradition, but I can do so only if the Government ensure that the other part of that tradition is included as well. It could be done quite simply, perhaps by means of the Lester amendment. What I want is an absolute commitment that nothing in the Bill will prevent people from attacking bodies of belief in the most robust way possible. Without it, I shall not be able to support the Bill, because it will appear that we have not got the balance right.

I was greatly encouraged by my right hon. Friend the Home Secretary's assurance that he would consider amendments to get the balance right. My experience of him suggests that that is his general approach to legislation, and if he does what he has said he will do, it is in our power to produce a Bill that would secure assent

[Dr. Tony Wright]

throughout the House. That would be a considerable prize, and would go a long way towards achieving what we want to achieve.

Our present difficulty is that when the Government are asked what effect the Bill will have, we hear more in the way of symbolic reassurance than we hear about its practical consequences. That is not usually a good basis for law. It is the "something must be done" syndrome. Something must be done because people feel oppressed, but what we must do is something sensible. I do not think that saying repeatedly, when pressed, that the law will never respond to certain situations is sensible.

I want to vote for a law that will apply to situations of the kind that we may discuss—a law that will provide protections that do not currently exist, but will not damage the liberal tradition in the process. That is the challenge for the Government, but it is the challenge for all of us as the Bill proceeds through its stages. The prize will be the securing of legislation that will command the support that would genuinely reassure the people whom we want to protect.

8.13 pm

Mr. Boris Johnson (Henley) (Con): I oppose the Bill because I think it could amount to an almost mediaeval repression of free speech. I speak as a politician and a journalist who is accustomed to saying things that some people find inflammatory and offensive. I have been accused of offending whole cities in this country. I hope that that will prove to have been a chastening experience. I also hope that if I say anything inflammatory this evening, I will secure some protection from the fact that I am the first Member of Parliament for Henley whose paternal grandfather was a Muslim, or at least born a Muslim. How about that? I bet hon. Members did not know that.

It is hard to know where to begin my condemnation of the Bill, but I will begin with the motives behind it. We have heard that it is intended to combat the scourge of Islamophobia and the attacks on Muslims mentioned by Labour Members, which are said to have increased since 11 September 2001. The problem was taken so seriously by the European Commission that it commissioned a report. It discovered that in the four months following 11 September, there had been 12 serious attacks on British Muslims. Of course that is 12 attacks too many, but in the words of the excellent Asian-British journalist Kenan Malik, it does not in itself amount to a climate of vicious Islamophobia. According to the report's author, Chris Allen,

"there were very few serious attacks, and Islamophobia manifested itself in quite basic and low level ways"

in the United Kingdom.

I do not want to minimise the problem, but I want the House to accept that we have come a long way since 1978, when violence against Asians was so alarming that 10,000 Bengalis marched from Whitechapel to Whitehall to protest about the murder of Altab Ali near Brick lane. There were 49 more such murders during the decade that followed. I believe that the problem of Islamophobia is in danger of being exaggerated, and that insofar as there is a real problem there is already plenty on the statute book to combat it.

Throughout the debate, Members in all parts of the House have asked Ministers to produce a single example of something that would be banned under the Bill. Not a single example has been given, apart from one very feeble one. I hope that I was able to deal with that by pointing out that the amendment of the Public Order Act 1986 already prevents the commission of an offence of religious aggravation. There is already plenty of draconian stuff on the statute book.

Mr. Greg Hands (Hammersmith and Fulham) (Con): My hon. Friend may wish to consider a specific case. During the recent election campaign, a parliamentary candidate was attacked by a radical Islamic group, was decried for being a false prophet and was jostled and assaulted. That candidate is now the hon. Member for Bethnal Green and Bow (Mr. Galloway). Under the Bill, would the hon. Gentleman—whom I do not understand to be of the Islamic faith, but who is very litigious—be deemed to be a victim of incited religious hatred? Clearly that incident included hatred, religion and incitement. Would the hon. Gentleman be defended by the new law?

Mr. Johnson: It is obvious that the hon. Member for Bethnal Green and Bow (Mr. Galloway) already had plenty of protection under common law, if indeed he was jostled and attacked. The existing provisions are already draconian; why on earth are we producing a new Bill to outlaw incitement to religious hatred, thus eliding two notoriously foggy concepts, religion and hate, into a great cloud of muddle and misunderstanding? It has nothing to do with the needs of criminal justice and everything to do with politics, as Members throughout the House have already said. The Bill is the price that the country is paying in civil liberties for going to war in Iraq. It is of a piece with control orders and identity cards and is intended partly as a sop to communities that feel particularly oppressed by measures such as those. As the Solicitor-General recently wrote in *The Muslim News*, Muslims feel "betrayed" by the Iraq war. In the run-up to the last election, Labour decided that it needed to do something to appease those feelings. He went on:

"Iqbal Sacranie, general secretary of the Muslim council, asked Tony Blair to declare that the government would introduce a new law banning religious discrimination. Two weeks later, in his speech to the Labour party conference, Tony Blair promised that the next Labour government would ban religious discrimination. It was a . . . victory for the Muslim Community in Britain."

It was not a victory for common sense or free speech. It is not good enough to pretend, as Ministers do, that this is somehow the logical extension of laws against incitement to racial hatred. We have thrashed this out exhaustively in the Chamber today. It is obvious that there is a category difference between one's race, which is a question of nature, and one's religion, which is a matter of choice, conscience and belief.

If a religion is worth believing in, it ought to be strong enough to withstand the most scurrilous and monstrous attacks. If a religion is worth believing in, those assaults should diminish the critics and not the religion itself. Whether or not a religion is worth believing in, it is the sovereign right of every human being to say what exactly he or she thinks of it. No Labour Member has even begun properly to define a religion. One hon. Member stood up for the Jedi and said that he was a Jedi knight.

No one was sure whether to take him seriously. There were embarrassed grins on the faces of Labour Members. How do they know that he is not in earnest when he says that he is a Jedi knight and that his faith deserves respect? If religion is a nebulous idea, so too is hatred.

I go back to the comments by the right hon. Member for Holborn and St. Pancras (Frank Dobson). Suppose I were to say in the security of the Chamber that I believe that some interpretations of Islam have a barbaric penal code and that the treatment of women in many parts of the Muslim world is shameful? Am I thereby inciting hatred of that religion, or extreme dislike? As my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) said, it depends entirely on the perception of the listener. This is the key point: in the post-Macpherson world, we all know that, in determining whether or not an offence has been committed, the police and the courts are bound to place ever more weight on the perceptions of those who take offence.

Let me put this as tactfully as I can. Despite the best efforts of the ecumenists, we live in a world of mutually antagonistic faiths. We have heard representatives of various faiths in the Chamber this evening. They do not merely advertise the exclusive benefits of their own paths to salvation. They also indulge in a great deal of negative campaigning, in the manner of soap brands, or indeed political parties, against their main rivals.

This Bill explicitly interdicts the incitement of religious hatred, where that means hatred of a group of persons defined by reference to religious belief or lack of religious belief. Since the Bill is intended primarily, according to Labour Members, to offer protection to Muslims, let me now read certain excerpts from the Koran. I invite the Minister to intervene, to help me out and to guide my faltering footsteps in this matter. I invite him to imagine that I am an imam or a mullah. I must apologise to any Muslims who may be listening or watching. I hope that it will be obvious that the quotations I am about to give are intended not in any way to be disrespectful to the holy Koran but to make a point about the logic, or absence of logic, of the Bill. Here is the Koran on those with a lack of correct religious belief:

"As for the unbelievers, for them garments of fire shall be cut and there shall be poured over their heads boiling water whereby whatever is in their bowels and skins shall be dissolved and they will be punished with hooked iron rods."

On Christians, it says:

"They surely are infidels who say god is the third of three; for there is but one god and if they do not refrain from what they say, a severe punishment shall light on those who are unbelievers."

On Jews, it says—*[Interruption.]* Does the hon. Member for Clethorpes (Shona McIsaac) agree that this amounts to incitement to hatred against certain people on the grounds of their religious belief? I take it from her silence that she does. On the subject of the Jews, the Koran says:

"Because of the wickedness of certain Jews, and because they turn many from the way of god we have forbidden them good and wholesome foods which were formerly allowed them; and because they have taken to usury, though they were forbidden it: and have cheated others of their possessions, we have prepared a grievous punishment for the infidels amongst them."

On the subject of Jews and Christians, it says:

"Why don't their rabbis and doctors of law forbid them from uttering sinful words and eating unlawful food? Evil indeed are their works. The hand of god is chained up cry the Jews. Their own hands shall be chained up and they shall be cursed for saying such a thing.

"Believers do not take Jews or Christians as friends. They are but one another's friends. If anyone of you takes them for his friends then he is surely one of them. God will not guide evil doers."

I think that you will agree, Mr. Deputy Speaker, that that is pretty strong stuff. I see the Minister scratching his head. I do not see him leaping to his feet to elucidate whether he believes that that is inflammatory and inspirational of hatred against the believers of those religions. I would like him to explain to us all here and now why and how he thinks the repetition of those words in a public or private place does not amount to incitement to religious hatred of exactly the kind that the Bill is supposed to ban. If this Bill is to make any sense at all, it must mean the banning of the reading of such things in public or in private, which is absurd and paradoxical, given that it is intended to be a protection against xenophobia. If it does not mean the banning of the repetition of such phrases, it is nonsensical and should be scrapped.

Let us be clear about the implications. If the Bill is to have any force at all against such blatant incitements, if we will be able to continue to insult other people's religions, and if the Attorney-General will never be able to use this law in the way that some in this House have continually suggested, that in itself will be counter-productive, because this law's very existence on the statute book will provoke disorder and unrest. In other words, this Bill would encourage censorship—

Mr. Deputy Speaker (Sir Michael Lord): Order. I call Mr. Sadiq Khan.

8.25 pm

Mr. Sadiq Khan (Tooting) (Lab): Thank you, Mr. Deputy Speaker, for asking me to follow that. I am grateful for the opportunity to speak in support of a Bill that I referred to in my maiden speech almost a month ago. I congratulate my hon. Friends the Members for Dewsbury (Mr. Malik) and for Copeland (Mr. Reed) on making their maiden speeches this evening. My contribution to this debate falls into two sections. First, why is there a need for this legislation? Secondly, I want to deal with some of the concerns raised by Members of this Chamber and by others outside it.

Our country has a good track record of positive relations between different races, cultures and religions stretching back hundreds of years. Prophesies made by former Members of this House about race riots leading to rivers of blood have proved to be grossly false and nothing more than scaremongering. However, life in the UK for some is far from utopian. Pockets of our community are suffering and parts of it are less equal than others. There are some in our community—thankfully, a small minority—who exploit circumstances to incite hatred against the most vulnerable, knowing that they will get away with it.

It was a Labour Government, in the face of huge opposition, who first introduced race relations legislation in this country in 1968. A Conservative Government

[Mr. Sadiq Khan]

introduced the Public Order Act 1986, which contains the current law outlawing incitement to racial hatred. Parliamentarians, academics and commentators—I am afraid that I found no examples of comedians—all bemoaned and criticised the need for those new laws. It was said that they would stifle robust debate and destroy the centuries-old tradition of freedom of speech, and that it was political correctness gone mad.

No one today is seriously suggesting that inciting hatred against blacks is acceptable—of course it should be against the law. The courts were right to interpret those laws to give protection to the followers of mono-ethnic faiths such as Judaism and Sikhism. Those laws, which were so contentious, have made a real difference to the lives of black and ethnic-minority people in Britain. They did not just stop the abuse; they made us feel full citizens of this, our country.

This Bill is about trying to close a loophole that far-right groups are well aware of, and outlawing incitement against the followers—the followers—of multi-ethnic faiths. In the last few years, the far right have cynically and deliberately been targeting British Muslims. "Freedom", the British National party magazine, has explained the loophole to its readers. An article under the headline, "Police drop a clanger" said that a supporter who repeatedly displayed a copy of an "Islam out of Britain" poster in his window was arrested, questioned and charged with "incitement to racial hatred". The article continues:

> "The snag for the police, however, is that Muslims are not covered by anti-free speech race law . . . it's legal to say anything you want about Muslims, even far more extreme things".

Incidentally, that person sued the police for wrongful arrest. Far right groups no longer—thank God!—have posters saying, "Blacks out of Britain" or "Jews out of Britain". Why? Because they know that they would be committing a criminal offence. They know that creating such an atmosphere by inciting hatred is unlawful. However, they have no such qualms in respect of Muslims.

Vulnerable communities who are at the receiving end of the violence that religious and racial hatred can lead to have no problems with hate language being censored, or with the environment in which such harassment or violence takes place being challenged. Let us be clear that we are not talking about gagging comedians—the jokes and gags can go on. We are talking about hatred creating an atmosphere in which Muslim women—British women, some of them white—wearing a hijab or scarf are spat at, insulted, sworn at and even hit.

Dr. Evan Harris *rose—*

Mr. Khan: It is not about race, as many of these women are white converts. One third of British Muslims are not of Asian heritage. Young children with Muslim names are bullied and picked on as a result of the atmosphere that hatred breeds. Clearly, those children have not made a decision about their religion; like many of us, they have been brought up in it, so why are they not protected?

Dr. Harris: Will the hon. Gentleman give way?

Mr. Khan: No, I am sorry.

The idea that one cannot choose one's race but can choose one's religion so that the former but not the latter should get protection is absurd. Some people talk about religion as a lifestyle choice, but what is being suggested—that Britain's 1.6 million Muslims should convert to Christianity or become atheists? We have a duty to protect our most vulnerable communities.

As I understand it, there are four main objections to the Bill. First, it is argued that there is no need for new law because the existing laws are sufficient. That is simply not the case. The amendment that the Liberal Democrats and the Tories have produced—the "dream team" amendment—demonstrates that neither of the main Opposition parties have any solutions to these problems. If it were possible to identify religious hatred as linked to racial hatred, there would be no need for the proposed law. That is why the so-called Lester amendment is inadequate.

Mr. Grieve: The hon. Gentleman used some illustrations of horrible behaviour to Muslims, and I think that he would concede that they are all already criminal offences. What he is trying to achieve through the Bill is a change in people's mindset. Will he explain how or why that will come about and will he also deal with the undoubted fettering of freedom of speech that will result from what is, in fact, a draconian piece of legislation?

Mr. Khan: I shall deal with the last point later. On his first point, the examples that I provided are not covered. Is the hon. Gentleman seriously suggesting that there should be only one criminal law to deal with every criminal act that is committed? The reality is that if he were arrested for murder, he could be charged with any of four criminal offences.

I am going to continue. The whole point is to protect a group of people who do not fall under a single racial identity. That is why so many senior police officers, including the recently retired Metropolitan Police Commissioner, believe that current legislation is inadequate and support the new offence.

The hon. Member for Beaconsfield (Mr. Grieve) advanced the second objection—that the Bill will restrict freedom of speech. The idea that we have complete and unrestricted freedom of speech is nonsense. Article 10 of the European convention on human rights—the article that deals with free speech—also talks about the "rights and responsibilities" that go with free speech in civil society. Free speech has a number of restrictions to ensure the smooth running of society. Examples where such restrictions apply include pornography, intellectual property, race hatred, defamation and national security issues. If Voltaire were inciting hatred on grounds of race, I would not fight to the death to defend his right to say that.

The fact that the new offence will not be in breach of our article 10 obligations is confirmed by the support for the proposals of such groups as the Joint Committee on Human Rights, the UN Committee on the Elimination of Racial Discrimination, the Law Society, the European Commission against Racism and Intolerance, Justice—the hon. Member for South-West Devon (Mr. Streeter) was wrong to say that Justice opposes the Bill; it supports it—and the UN Human Rights Committee.

In fact, what many international human rights organisations say is that by failing to protect our most vulnerable citizens, we are in breach of our obligations as a State.

The third objection is that this is a sop to the Muslim community, giving them preferential treatment because of the Iraq war. I heard a new one today; apparently, it is blasphemy law for Islam by the back door. Well, as my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) said earlier, the first time the then Home Secretary, my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) tried to introduce this legislation was in winter 2001—more than a year before the war with Iraq—so I am afraid that the chronology of those who make that point is simply wrong. If British Muslims really were as powerful and influential as the hon. Member for Henley (Mr. Johnson) suggests, one would have thought that they could have persuaded the Government not to fight the Iraq war in the first place.

Not only the Government and Labour Members believe in equality before the law for all of our communities. The Board of Deputies of British Jews, the Church of England, the Catholic bishops of England and Wales, the Hindu Council UK, the network of Sikh organisations, the CRE and other organisations all support the Bill. They are hardly a bunch of Muslim fundamentalists looking for preferential treatment or special favours, or seeking a new blasphemy law for Muslims by the back door.

The fourth point that has been made is that the Bill will lead to unemployment—of comedians, artists and theologians—and possibly to their prosecution. That is just humbug. The new law will not stop anyone offending, criticising, ridiculing or taking the p*** out of faiths. Police vans will not wait outside comedy clubs, and censors will not go through everything that is said, written or done. Nobody wants to stop our irreverent sense of humour flourishing. The bigots are the only ones who have anything to fear from the Bill.

The Bill is about protecting people from hatred, and not about protecting faiths from criticism. That goal is entirely in keeping with Britain's unique record of religious and racial tolerance. A society should be judged on how it treats its most vulnerable members. A loophole that allows religious hatred to be propagated must finally be closed. This Bill closes that loophole, and I urge the House to support it.

8.36 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The hon. Member for Cannock Chase (Dr. Wright) made at least two very important points in his powerful speech. He said that we need to recognise that there are issues in society that must be dealt with. He also said that some communities rightly feel under pressure and that something has to be done to help them. Neither I nor my Liberal Democrat colleagues believe that the choice is between this Bill and doing nothing. We recognise that it must be made absolutely clear that the people described by the hon. Member for Dewsbury (Mr. Malik) as racists and members of the extreme right cannot hide behind religious words, language and descriptions to escape prosecution under the race hate laws. I wanted to make that point during the hon. Gentleman's speech, but he would not allow me to intervene.

Liberal Democrat Members believe—as do Conservative Members and, as the outcome of many votes show, a lot of Labour Members—that the best way to make matters completely clear is to extend existing laws against incitement to racial hatred. That would cover the activities of the extreme right and the BNP when they use religious words as a proxy for inciting racial hatred. Nothing that those people do is theological. They are not making theological points when they attack Muslims or Hindus: they are making thinly veiled racist points. If such actions are not covered by the existing legislation, extending that legislation in statute will make matters clear.

It is also important to recognise that incitement to violence is already an offence, as are direct assaults and vandalism, and that all those offences can be religiously exacerbated. Moreover, direct insults, abuse and threats are already criminal offences under the public order or harassment legislation. No law change is needed to cover that behaviour, but three hon. Members who support the Government have said that such a change must be implemented. The hon. Member for Tooting (Mr. Khan) spoke about a person being spat on or abused. That is already an offence, and since 2001 it is capable of attracting a steeper sentence if it is considered to be religiously aggravated. That is an example of the type of Aunt Sally that is put up as an argument in favour of changing the law, even though it is not true.

The hon. Member for Preston (Mr. Hendrick) adopted that approach. He is not in the Chamber, but I see the hon. Member for Islington, South and Finsbury (Ms Thornberry) sitting on the Cross Benches. She said that people had been vilified for wearing headscarves, but that is already a public order offence, at the very least, and it can be religiously exacerbated.

The right hon. Member for Holborn and St. Pancras (Frank Dobson) made a similar point in his article in *The Guardian* on 18 June, when he said:

> "Mothers collecting children from school have been abused and assaulted ... Homes have been stoned and fire-bombed ... Yet ... our present laws offer no special protection to Muslims around incitement to these acts."

Again, those are poor examples because those acts are most definitely covered by existing law.

Indeed, even the Under-Secretary, the hon. Member for Wythenshawe and Sale, East (Paul Goggins), is liable to fall into that trap. In an interview on the "PM" programme broadcast on 9 June, in response to the presenter saying:

> "You're saying at the moment that Muslims at the moment are not protected from incitement to violence and harassment"

the Minister said:

> "Not on the basis of their religious belief."

That is true because they do not need to be protected on the basis of their religious belief because they are protected by the fact that incitement to violence and harassment are already criminal offences, some of which can be religiously exacerbated. However, such things are offences even without religion exacerbation. The argument that the Bill is needed to close some loopholes has been overstated to say the least. The argument is not about direct threats, direct insults or violence; they are already illegal.

[Dr. Evan Harris]

Freedom of speech and expression are precious, and the freedom to dispute, even in strong terms, is a necessary part of such freedom. The Bill lacks certainty. That shows the problem of the chilling effect. People may want to self-censor or be censored by those who would otherwise want to hear their arguments, publish their books, print their articles or stage their plays. The Bill lacks clarity, as we have heard, because which religions are covered, what is the threshold for hatred and what is hatred are also not clear and are not defined—and, of course, intention is not a requirement.

Again, there are further examples of people's doubts. Indeed, the Minister was asked in the same interview whether someone would be allowed to say, "I hate Muslims", or "We hate Muslims." He first said no. He then said, "Maybe" and that it would be up to the courts, not politicians, to decide. I have the transcript here. The point is that he says that the decision should not be for politicians, but we as politicians making law in Parliament have a duty to provide citizens with certainty. I have never had an answer to the question about whether I can say, when a group of fundamentalist Christians, for example, are vilifying another group—for example, homosexuals—that we should hate those Christian bigots. Could I say that freely outside the Chamber if this law were in place?

The Minister often makes light of comedians—specifically, Rowan Atkinson—but those of us who have had an opportunity to hear him speak know that he talks about the freedom for him to make religious jokes. He said:

"The Government claim that one would be allowed to say what you like about beliefs because the measure is not intended to defend beliefs but believers. But I don't see how you can distinguish between them. Beliefs are only invested with life and meaning by believers. If you attack beliefs, you are automatically attacking those who believe the beliefs. You wouldn't need to criticise beliefs if no one believed them."

There may be answers to that point, but I hope that the Minister will recognise that the points made by the creative community are relevant and need to be tackled, without simply being dismissed as coming from those in the entertainment industry.

I believe that the Bill has massively raised expectations among those in the Muslim community, many of whom think that it will provide them with a blasphemy law or that it covers incitement to violence, which they believe is not currently covered. Even some hon. Members tend to have those views. As is well known, during the debate on the Serious Organised Crime and Police Bill the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) asked whether "The Satanic Verses" would be covered, and said that at that time that

"there were thousands and thousands of Muslims who believed emphatically that people were not entitled to criticise their religion."

In response, the hon. Member for Birmingham, Perry Barr (Mr. Mahmood) said:

"I am sorry, but I take issue with that. It was not a question of making a valid criticism of the religion. In the context of Salman Rushdie, the issue was the abusive words that he deliberately used, which were written in phonetic Urdu, criticising . . . "

The hon. Member for Birmingham, Selly Oak (Lynne Jones) raised that with the Minister for Policing, Security and Community Safety. She asked the Minister to make it clear that

"the 'incitement to religious hatred clause' would not, as the hon. Member for Birmingham, Perry Barr implied, give carte blanche to anyone who wanted to prosecute Salman Rushdie".—[*Official Report*, 7 February 2005; Vol. 430, c. 1216–23.]

However, the Minister failed to provide a simple, reassuring answer that, no, it would not give carte blanche. The Government's failure to be clear worries many people.

The right hon. Member for Southampton, Itchen (Mr. Denham), who is not in the Chamber, gave a hypothetical example to show that Muslims would not be protected by the current race hate laws against someone saying, "Muslims out" or "No Muslims wanted here". Many experts doubt that claim; indeed, a member of the British National party was arrested recently under the race hate laws. However, even if the situation described by the right hon. Gentleman was not covered at present, the Lester amendment would certainly deal with it. That would also apply to his other examples, where some Semites were protected while others were not. It can be made clear that people who are actually attacked racially but on the notional basis of their religion are entitled to protection—they would be covered by the amendment's extension to the law. The BNP is not making a theological point, but a racist one.

If the Government want to reassure people such as me and the hon. Member for Cannock Chase, who wanted an assurance that free speech would be protected, and if they want to end discrimination against some religions in favour of others, why on earth do they not use the Bill to repeal the blasphemy laws? They are discriminatory and have a chilling effect on free speech. Everyone knows where the Church of England stands; it gave evidence to the Select Committee on Religious Offences. It is time to repeal those laws and the Government's failure to do so makes many of us doubt their motives and whether they really care about free speech.

8.46 pm

Harry Cohen (Leyton and Wanstead) (Lab): I am a bit surprised by the uniform opposition to the Bill from the Conservative Benches, because during the recent election campaign one of their parliamentary candidates was deselected for having made anti-Catholic comments. There is obviously a procedure to deal with people in the Conservative party who make anti-religious comments, yet the Conservatives do not want to extend it to the rest of the country.

I am proud of the Bill on racial harassment that I introduced in the 1980s, important aspects of which became law. I support this Bill, too. It moves towards giving the members of all faiths equal protection under the law from incitement to hatred.

Incitement to hatred can be incredibly dangerous. At its worst, it motivates killings such as those in Nazi Germany. It burns my soul when I see, or recall, war documentaries showing Nazi leaders spitting out hatred of "der Juden" as being to blame for all the ills of the world. That set up the conditions for the Holocaust. In more recent times, incitement to hatred has been instrumental in killings in

the Balkans and Rwanda—tribal in the latter. However, there was a religious aspect to the murders in the Balkans—the Muslim communities, in particular, were deemed to have fewer rights, to be less than human, and thus to be disposed of more easily.

There was clearly an element of religious hatred behind the recent despicable desecration of the Jewish cemetery in West Ham. In the UK, however, incitement to hatred mostly applies in racial assaults. Some of the culprits, although they would not fall foul of any present or proposed law, are national newspapers that repeatedly refer to asylum seekers so unsympathetically and negatively that the words are turned into a term of abuse. As a result, the number of racist incidents in England and Wales—from verbal abuse to vicious assaults—has risen in recent years from 48,000 in 2000 to 52,700 in 2004. Those figures include some despicable murders. We have reached the point where Trevor Phillips, chairman of the Commission for Racial Equality, said in March:

"Today Jews, Muslims and gypsies tell the CRE that they are under siege in Britain."

In the face of that, the present law against racial violence and hatred needs to be implemented more effectively. No one in their right mind would say that the law is not necessary; clearly, it is. There is a religious hatred element to the violence, and there is certainly huge potential to spread hatred based on religion against Muslims especially, but also against Jews and people of other faiths.

There is an institutional aspect to Islamophobia because it can arise from fear generated by the war on terror, which some deliberately misinterpret as a war on Muslims. The violence inflicted on innocent Muslim citizens on the streets and in neighbourhoods is the ugly personal face of Islamophobia. Hatred is propagated by the British National party, those associated with it and others with similar ugly attitudes. They want incitement to hatred to be converted into violence against Muslims or Jews.

There is currently a loophole in our law because although racial hatred is covered by it, religious hatred is not. Jews and Sikhs are covered by existing laws on the incitement to racial hatred because the courts deemed that they had a distinct ethnic origin, but Christians, Muslims and Hindus are not covered by the current interpretation of the law. The Bill will end that anomaly. Labour made it clear that it would enact the Bill in its recent election manifesto, which said:

"It remains our firm and clear intention to give people of all faiths the same protection against incitement to hatred on the basis of their religion. We will legislate to outlaw it".

I am proud to support that passage of the Labour manifesto.

Mr. Grieve: The hon. Gentleman is making important points and I do not disagree with his intentions. However, will he consider this? In the BNP's literature, some of its members amazingly appear to worship Thor and Wotan and the white supremacist god. If I were a member of the BNP and the Bill was passed, I would put myself into a religious sect on that basis and say that those who criticised my white supremacist views were attacking my religious outlook, and thus claim the protection of the Bill. No aspect of the Bill would prevent that from happening, except of course the intervention of the Attorney-General.

Harry Cohen: I hear what the hon. Gentleman says, but the Secretary of State made it clear that the wording of the Bill would be examined in Committee, which I would welcome if it strengthened the Bill. However, the right hon. Member for Maidstone and The Weald (Miss Widdecombe) and other Opposition Members made a key mistake because the Bill will, hopefully, deal with incitement to violence, so violence will be discouraged, but not talk about other religions.

Mr. Khan: Does my hon. Friend agree that mischievous examples such as that given by the hon. Member for Beaconsfield (Mr. Grieve) are the same as those put forward two years ago when laws were brought in to protect employees who were suffering religious discrimination in the workplace? There has been no example over the past two years of an employee pretending to be involved in a religious sect, or inventing one, to get the protection of that legislation.

Harry Cohen: My hon. Friend makes his point well. He made a good point earlier about the way in which the BNP tries to find every loophole that it can exploit. It tried to do the same thing with trade unions, after which another loophole had to be closed.

Mr. Baron: Does it not worry the hon. Gentleman that the Government have not been able to come forward with one concrete example of a violent act or incitement that is not already covered by existing laws? We have laws in this country covering intimidation, discrimination and incitement to violence. The Anti-terrorism, Crime and Security Act 2001 introduced the concept of religiously aggravated offences. Surely he accepts that those laws cover the examples that have been cited so far.

Harry Cohen: No, because as I and other hon. Members have said, there is a loophole that must be filled. I understood that clear examples were cited to the House of Lords Committee that considered the matter. Indeed, my hon. Friend the Member for Islington, South and Finsbury (Ms Thornberry) also gave us a clear example. Many of our constituents, especially those from Muslim backgrounds, could give examples of the abuse that they or others have suffered due to their religion. Laws against inciting racial hatred have been on the statute book for almost 20 years. During that time only 72 people have been prosecuted for that offence. I think that there is a case for more people being prosecuted. Such a possibility has an important deterrent effect. As my hon. Friend the Minister has written:

"The courts would have to remember their obligation under the European Convention on Human Rights, so that free speech and freedom of religion are preserved. But where there are court cases, they will send a powerful message about the kind of values—tolerance, justice and equality—that we hold dear in the UK."

That is an excellent passage in the Minister's article, which I fully endorse.

Opponents of the Bill claim dire consequences, but that is not the position with the existing anti-hatred law. The myths that the opponents of the measure have put

[Harry Cohen]

out deserve to be put in their place. The Bill will not criminalise someone criticising the beliefs, teachings or practices of a religion or its followers. It will not criminalise someone urging followers of a different religion to cease practising their religion and perhaps to convert. It will not criminalise someone telling jokes about religion. It will not criminalise someone expressing antipathy or a dislike of a particular religion. Furthermore, there is the powerful safeguard that before any prosecution could go ahead it would have to be personally approved by the Attorney-General.

Discussions between religions and about religions must be conducted with at least a degree of tolerance, not a will to target for violence those of a different faith. For the first time inflammatory statements would be covered—for example, where they are made at an extremist rally where the intention is clearly to incite hatred against people not present at the rally because they are of a different religion. Killings and assaults have happened following such incitement. Those actions must be warned off by the law.

Many recent laws, including those introduced before the Labour Government took office, have targeted personal behaviour that is antisocial or damaging to the safety of others. In that context, arguing not to extend that principle to protect people of different faiths from hatred-inducing violence seems to rest on very thin ice intellectually.

I think that Muslims will be significant beneficiaries of the proposed legislation, but so will people from other religions. Christians will be winners. They fall through the current loophole and the Bill will provide them with explicit protection. Furthermore, in circumstances that suit them, it is not beyond BNP supporters to pick on small black Christian churches, mainly because they are black, but using the language of religious detestation.

Mr. Martin Horwood (Cheltenham) (LD): Will the hon. Gentleman explain why that example would not be covered by the Lester amendment, which explicitly addresses such an issue? Does he really think that the BNP's hatred is based on a criticism of theology or on the association of religions with ethnic groups?

Harry Cohen: I acknowledge that that would be covered by the Lester amendment, but that amendment is weaker overall than the provisions in the Bill. There should not be a proxy for racism. Religious hatred needs to be dealt with in its own right.

Members of all faiths should have equal protection under the law. That is what the Government avow they are working towards with the Bill. I believe that they should go further towards achieving that by removing the mediaeval and discriminatory blasphemy laws—which, in any event, are not used these days—from the statute book. Notwithstanding that, the Bill has merits in its own right and I fully support it. I believe that UK residents of all religions and of none will be safer when the Bill is on the statute book.

8.59 pm

Mr. John Baron (Billericay) (Con): First, I commend the hon. Member for Leyton and Wanstead (Harry Cohen) on his heartfelt address. However, I disagreed with almost every word of it, because this is a bad and dangerous piece of legislation, which has the scope to limit and undermine our freedom of expression. It will create greater tensions in our communities, and it will be counter-productive.

Part of the problem stems from the fact that the Bill is born of the Government's misconception about race and religion in relation to freedom of speech. We have discussed that at length but, surprisingly, some Government Members do not understand that religion is fundamentally a matter of choice, and should not be included in legislation relating to race, which is a matter of birth. In a liberal democracy, it is clearly outrageous to criticise or hate someone on account of something over which they do not have any control or choice such as race. The Bill, however, raises the prospect that argument and disagreement over religion, about which people do have a choice, may be regarded as inciting religious hatred. That is nonsense, and it is clearly wrong.

The Government claim that the Bill is not intended to criminalise religious debate. However, given its poor wording, there can be no guarantee about that. Religious hatred is not properly defined, so a great deal of interpretation will be subjective. For example, the new offence does not include a definition of religion, so if a journalist writes an article in which he claims that Satanists are an evil cult, the Satanists can report him to the police, claiming that he is inciting religious hatred against them. Given that the Government have not been able to produce a single clear instance of the way in which the Bill would apply, there is no reason to suggest that my example would not be caught by the Bill. After all, it is intuitive to hate that which is considered evil.

I am particularly concerned about the new test for both racial and religious incitement, as discussed in the explanatory notes to the Bill. I pressed the Home Secretary on that issue, because it is of fundamental importance, and I should be grateful for a response during the winding-up speeches. The explanatory notes say that for material likely to stir up racial or religious hatred

"it need only be shown that it was likely to be seen or heard by a person in whom it is likely to stir up racial or religious hatred."

The Bill appears to suggest that the accused is responsible for the unintended and unforeseen reactions to their comments by people who could be bigoted and hate-filled. That is dangerous ground. In principle, the Bill could privilege the interpretations of the most ignorant people in our society at the expense of the meaning intended by the accused. That is wrong, and it will limit free speech. Furthermore, the legislation will create a fear of prosecution, as individuals must consider whether their remarks could be misconstrued by others. Such self-censorship will further erode our culture of freedom.

Chris Bryant: That is a very good thing.

Mr. Baron: Does the hon. Gentleman wish to make an intervention? Apparently not.

The Government are trying to calm fears by saying that there will be few prosecutions and that the Attorney-General will have a veto on cases that are brought. In a free society, it is wholly unacceptable to

pass into law something that is intellectually flawed purely in the hope that, as they promised, the Government will not abuse their powers. It is precisely because Governments generally cannot be trusted not to abuse their powers that Parliament exists to protect individual rights and freedoms. That is why we are here, and it is a key part of our job. We should not rely on the Government to take on this particular role, as we would be wandering into uncharted and dangerous waters.

But what makes this legislation even more of a nonsense is that it is not needed. Time and time again, Government Members have given examples of cases that were thought to require the protection offered by the Bill but which, in fact, did not need it. We already have laws prohibiting discrimination, intimidation and incitement to violence. In short, protection already exists for everyone, regardless of their religion.

In 2001 Parliament passed new laws creating religiously aggravated offences, which provide additional safeguards. The aim of these is to introduce tougher penalties where a crime has been committed. Case history has shown that displaying a poster with the words "Islam out of Britain—protect the British public" is already illegal under existing law, so it is questionable what additional protection could be provided by a law against incitement to hatred.

The Government's instinct is always to create new wide-ranging laws, rather than enforcing existing ones. Proper enforcement of our existing laws would make the new offence unnecessary. So why is the Bill being introduced? I wish the hon. Member who made the comment earlier was present. I can only draw the conclusion that this dangerous and unnecessary legislation is being introduced by the Government as a sop to the Muslim community for having misled the country and instigated an illegal war in Iraq. It is posturing of the worst kind, for there can be no doubt that the claims concerning weapons of mass destruction were nothing but a fig leaf to justify a war that should not have been fought. A large part of the Muslim community has lost faith in Labour, and the Government are cynically trying to make amends.

As regards the time scale, I do accept the point that the legislation was introduced shortly after 9/11, but I also contend that the decision to go to war was made in certain select circles soon after 9/11 as well, and it is no co-incidence that the Government promoted the legislation during the election.

Meanwhile, there is a real danger that the Bill will be used by some religious groups to seek to prosecute other religious groups, which could corrode community relations rather than improve them. As the Islamic Human Rights Commission in July last year stated:

> "Rather than enjoying additional protection from the law, religious minorities could find themselves the targets of prosecutions under the proposed legislation."

In this regard the comments of India's well respected Attorney-General are worth considering. He said:

> "Experience shows that criminal laws prohibiting free speech and expression will encourage intolerance, divisiveness and unreasonable interference with free speech and expression... That is what is increasingly happening today in India."

There is a danger that high-profile prosecutions could give extremists greater publicity. No Member of the House would want that to happen in this country. There is a better way forward than introducing repressive laws—that is, to encourage freedom of speech. Moral force is more effective than legal force, and for that we need freedom of speech. By banning certain remarks or gestures, we admit that we are scared of them. Indeed, by adopting such an approach we risk becoming complacent about our own reasons for disagreeing with the people who promote those ideas.

The Bill is the easy but ineffective option. It is a foolish knee-jerk reaction to deep-seated social problems. We do not need tighter or more combative laws in this area, but instead more freedom of speech and expression in order to promote the greater understanding and tolerance needed to defeat the bigotry and hatred that exists in corners of our society. That brings me back to where I started—freedom of speech.

The Bill is bad legislation for a number of reasons. It is vague and ill defined. It allows the state to adjudicate on people's religious beliefs. It is unnecessary in that sufficient protection for individuals or religious groups already exists. It threatens to be divisive and create greater tension between religious communities. Worst of all, the Bill threatens to curtail our freedom of speech, as ordinary religious debate could be criminalised. In my view that represents further salami-slicing of our individual freedoms, which unfortunately has been the hallmark of the Government since they came to power. Attempting to limit the right to trial by jury while introducing control orders are recent examples. The Bill is yet another example.

Freedom of speech is essential for the defence of our core values and for society to move forward, embrace new ideas and challenge the established views. It is Parliament's duty to protect our freedom of speech against an increasingly powerful Executive. Parliament cannot and must not fail in that duty, otherwise we as a society risk progress and our own advancement. I therefore urge the House to vote against the Bill.

9.9 pm

Chris Bryant (Rhondda) (Lab): The debate has been interesting, although I wonder whether the hyperbole advanced by Conservative Members has hindered their making some good points.

The Bill is primarily about rectifying an anomaly that has led to an inequity in the present legal situation, namely that some groups are protected in law and others are not, which is an argument that we have rehearsed this afternoon. In my experience, protection is not afforded to not only Muslims, but many Catholics. Anti-Catholicism is as virulent now in many parts of the country and in some public discourse as it was four centuries ago. Although we have understandably focused on the Islamophobia that we face in this country, the treatment of Catholicism is also an issue, which is not to say that we should therefore protect either the Catholic faith or Islam.

This afternoon, many hon. Members have argued that the best way to defend the God in whom one believes is to argue, and to argue forcibly. In the 1970s, J. B. Phillips wrote a particularly fine book called "Your God is too small", which made it clear how it is sometimes better to argue God's corner rather than protecting him through laws.

A vast pool of religious hatred simmers in this country. Many of us do not face that religious hatred because we worship in a Church that is protected and

[Chris Bryant]

perhaps even established by law, and the vast majority of people who face religious hatred on a daily basis are Muslims. The Bill may not be used after it has received Royal Assent. I hope that it will not be used, because by the very virtue of bringing it into law, we will have made a declaration that religious hatred is a problem in modern society and that we want to row back from it. We do not want to pour yet more water into that pool of religious hatred.

It was curious to hear several hon. Members who are prominent in their own faith communities effectively arguing in favour of religious hatred. The right hon. Member for Maidstone and The Weald (Miss Widdecombe) and the hon. Member for North Antrim (Rev. Ian Paisley)—a curious love-in—seem to agree on their mutual religious hatred, one for another.

The hon. Member for Billericay (Mr. Baron) said that the Bill will lead to terrible self-censorship. When it comes to religious hatred, however, a little bit of self-censorship is an extremely good idea.

David T.C. Davies: Will the hon. Gentleman give way?

Chris Bryant: I usually give way, but I know that other Conservative Members want to speak and that only a few more minutes remain.

I do not believe that a new blasphemy law should be introduced. In 1979, Lord Scarman said:

"I do not subscribe to the view that the common law offence of blasphemous libel serves no useful purpose in the modern law. On the contrary, I think that there is a case for legislation extending it to protect the religious beliefs and feelings of non-Christians. The offence belongs to a group of criminal offences designed to safeguard the internal tranquillity of the kingdom",

which is a quaint phrase. I wholeheartedly disagree with Lord Scarman. I do not believe that we should introduce a new blasphemy law—we should have the old blasphemy law, a point that I shall address in a moment—and the Bill will not give us a new blasphemy law.

It is perfectly possible to distinguish between beliefs and believers, just as in Christian teaching it has always been possible to hate the sin and the love the sinner, which is why I was gratified to hear the Home Secretary make it clear that, for example, confessions of faith in the Anglican Church, which might seem offensive to others, will not fall foul of the Bill.

Mr. Carmichael: Will the hon. Gentleman give way?

Chris Bryant: Usually, I always give way, but several other hon. Members want to speak and I know that we will reach the winding-up speeches in a few moments.

For instance, the 39 articles, which are, at least theoretically, the main tenets of the Church of England, state:

"Transubstantiation . . . in the Supper of the Lord, cannot be proved by Holy Writ; but is repugnant to the plain words of Scripture, overthroweth the nature of a Sacrament, and hath given occasion to many superstitions."

I suppose that that means that the Minister is being called superstitious by the tenets of the Church of England and that he could in theory take offence, but I think that he would assert, as the Home Secretary did earlier, that merely to restate the 39 articles would not fall foul of the Bill.

Likewise, the Westminster confession of 1646, which the hon. Member for North Antrim, who is not in his seat, would undoubtedly subscribe to every word of, and could doubtless recite—

Mr. Grieve *rose*—

Chris Bryant: I will give way, but hesitantly.

Mr. Grieve: I simply have to say to the hon. Gentleman that if calling somebody superstitious could be taken as being insulting—some people would be insulted by it—it would be caught by the way in which the Bill is drafted. The only safeguard for getting out of that dilemma is the discretion that is given to the Attorney-General. That is what the hon. Gentleman and the Government seem completely to fail to grasp.

Chris Bryant: I am sorry, but the hon. Gentleman wholly fails to grasp the point that, as the Home Secretary stated this afternoon, if there is a necessity for clarification in the drafting process—*[Interruption.]* If the hon. Gentleman can restrain himself and keep calm, he will be able to make a speech in a few more minutes and deprive his colleagues of yet more time.

Let me return to another expression of faith that the hon. Member for North Antrim might wish to restate:

"There is no other head of the Church but the Lord Jesus Christ: nor can the Pope of Rome in any sense be head thereof; but is that Antichrist, that man of sin and son of perdition, that exalteth himself in the Church against Christ, and all that is called God."

I am sure that some Catholics would understandably find that deeply offensive, but it would not be caught by the Bill. If I thought for a single instant that it could, I would be unable to support it. I am glad that the Home Secretary made that clear this afternoon, but it may be necessary to clarify it further in Committee. Not only would the 39 articles and the Westminster confession not be caught by the Bill, but neither would "The Satanic Verses".

Several Opposition Members, although they spoke genuinely, called not only for freedom of speech—which, as the hon. Member for Tooting (Mr. Khan) said, is not absolute, as several laws, not least in relation to intellectual property and libel, have made clear—but, in effect, for freedom for hateful theology.

It is right that there should be a very high threshold for the Attorney-General before he agrees to go forward with a prosecution, partly because of the question of intention. One of the aspects that we will need to tease out in Committee is precisely how intention is measured. Strict liability as it has historically been applied—certainly, since 1979, to the blasphemy laws—would be inappropriate were we to try to assert it in this context.

Similarly, it is important to tease out in Committee the likelihood of somebody being incited to racial hatred by the words that were said. None of my examples from the Westminster confession or the 39 articles would, on any common-sense basis, be assumed to be likely to lead to incitement to racial hatred. Further, we should consider whether the language in which somebody advances an argument is temperate or intemperate, and

whether people are using contumelious abuse, as they all too often are. In those cases, yes, I believe that there should be prosecutions. I would say to the hon. Member for North Antrim—it is a great shame that he is not in the Chamber—that when he talks of how he would like to be able to use robust language, he should remember the Letter to James, which issued very precise injunctions on how careful one should be about the use of language.

Let us consider whether we choose our religion. The hon. Member for Henley (Mr. Johnson) let the cat out of the bag when he said that he was the first Member of Parliament for Henley who was the grandson of a woman born a Muslim. Many people in the world never choose their religion. To all intents and purposes, it is chosen for them by their family and parents.

Mr. Carmichael: Do you believe in free will?

Chris Bryant: Of course I believe in free will and freedom of choice. *[Interruption.]*

Mr. Deputy Speaker: Order. We must not have interventions from a sedentary position.

Chris Bryant: The hon. Gentleman should mind his temperate language. Of course I believe in freedom of choice and people's freedom to change their religion. However, the vast majority of people do not choose their religion, which the clothes that they wear makes as evident as the colour of their skin determines their race. That is part of the problem that leads to so much abuse.

The Bill is only half the story. We should get rid of the blasphemy laws. Blasphemy is no longer seditious. The laws protect only the Church of England and they are hardly used and much misunderstood. We should also reform the Ecclesiastical Courts Jurisdiction Act 1860.

9.21 pm

Mark Pritchard (The Wrekin) (Con): The United Kingdom has a long tradition of freedom of speech, and I believe that the Bill will curb that freedom. Such concerns are shared not only in the House but outside it by people of all faiths and of none. A spokesman for the Central London mosque said that he was

"more worried than comforted by these proposals".

Muslim journalists and writers are worried that the Bill will inhibit their ability to publish critiques of other religions and those who claim no belief or religion. Christian groups are concerned about the Bill's impact on faith schools and the freedom to continue to preach their claims of the exclusivity of Christianity.

However, concerns about the Bill are not confined to faith groups. The National Secular Society argues that the Bill

"will have the effect of restricting the expression of thought and opinion".

Some hon. Members have expressed the same view today. The society goes on to say that the measure will be

"an invitation to religious extremists to use the courts to silence critics of their activities".

I believe that the Bill is in danger of creating a cordon sanitaire around centuries of free speech and religious debate. I fear that it will diminish personal freedoms, restrict academic scrutiny and hinder the helpful probing of social commentators. It will be an unnecessary straitjacket on democracy and, at a stroke of a pen, end centuries of enlightening discourse about the rights and wrongs of religion and the need or, indeed, the lack of need for religion in our society. *[Interruption.]* I hear some murmurings on the Government Front Bench and I recognise an old adversary and, indeed, honourable friend, the Minister for Immigration, Citizenship and Nationality.

I shall give an example. Both Islam and Christianity are missionary religions. They require people of their faith to share their faith, proselytise, evangelise and engage in debate with those of other religions and of no religion, sharing the attractions, necessity, virtues and compelling nature of their belief. Part of that mission includes "differentiation"—highlighting key differences between them and other beliefs. The Bill runs the serious risk of preventing the presentation of such differentiation and thereby threatens a key freedom of both faiths.

On the question of exclusivity, I want to ask the Minister whether, as a result of the proposals in the Bill, religions will still be able to claim that they are exclusive, and the only way to God. What would happen if such a claim by a particular religion offended someone in my local community? Would the police have to act? Would the Attorney-General of the day be forced into a political position in which he or she felt that they no choice but to act, however subjective the charge might be? Would atheists be able to continue to claim that Muslims or Christians were deluded because to believe in the existence of a transcendental being is folly and foolishness? Would those who sought to challenge faiths that question homosexual lifestyles be able to continue to do so? I note that *Gay Times* suggests that the proposals

"would make it illegal to take issue with orthodox religious views of homosexuality".

All people have the right to hold robust views on religion. I look forward to the Minister's response to these questions.

The trouble with the Bill is that it will seamlessly allow the offended against to determine how offended they have been, rather than allowing the evidence of the offence itself unquestionably to show the offence. Thus, the giving of offence changes into an offence itself. Indeed, the lack of a definition in the Bill of terms such as "hatred", "religion" and "beliefs" could raise the issue of subjectivity by the courts—and, perhaps more worryingly, the Attorney-General—to dangerous new heights, and relegate objectivity to playing second fiddle in a lesser place.

At present, the law has to prove that it is likely that hatred will be stirred up. The Bill states that the offence is now committed if the words, behaviour, material, play, recording, broadcast or programme service is

"likely to be seen or heard by any person in whom it is likely to stir up religious . . . hatred."

The Government also claim that it is individuals who will be protected, not religions themselves. However, that rebuttal is contrary to the spirit of other legislation on racial hatred, which protects both the person and their race. Might there not be undue pressure on the Attorney-General, when seeking to protect people from religious hatred, to protect the religions themselves, thereby hindering free speech?

[Mark Pritchard]

Of course, Muslims, Christians and those of other faiths and beliefs—and those who have none—should be protected against violence and intimidation, but public order legislation already exists to deal with those issues, despite the denial of that fact by those on the Government Front Bench, and indeed by some Members on the other Opposition Benches. We have seen the extension of provisions dealing with "racially aggravated" crimes to cover "racially or religiously aggravated" offences. In short, there are enough laws and provisions dealing with this issue already.

I would also like to ask the Secretary of State what thought has been given to the possibility of malicious litigation between religions, in which a religion might seek to put down an early marker or to test the boundaries of any new Act? Does he not fear that the courts could be used as a public platform for theological point scoring, allowing competing religions, and even sects within religions, the opportunity to flex their theological muscles?

As I have said, I am opposed to anyone or any organisation seeking to stir up religious hatred, but I question whether the Government are going about this in the right way. Where religious hatred exists, it is usually the result of a lack of education, and a lack of understanding and awareness of the beliefs, traditions and world view of a religion. Interestingly, the Islamic Human Rights Commission has said of the Bill that

"such legislation could very well be used against Muslim communities, rather than protecting them".

Surely, in this post-11 September period, freedom of religion, freedom of speech, and the discussion of religious ideals and concepts, both oral and written, need to exist without fear of prosecution?

The Government's aim of seeking to create equal rights is a noble one, but they need to tread carefully to ensure that they do not create special rights. In adopting the worthy goal of promoting inclusivity, they should avoid promoting a new, narrow type of exclusivity. The Bill will mute individuals, and will give the courts an air of inquisition. Moreover, I have never known an Act of Parliament to create love, and perhaps that is the only antidote to the hatred of which we have heard today.

For centuries this country has had a proud tradition of religious tolerance, which has co-existed quite happily alongside robust scrutiny of all religions and beliefs. I mentioned that in my maiden speech, as did the hon. Member for Dewsbury (Mr. Malik). I believe that, despite the Government's best intentions, this law may well increase intolerance and misunderstanding rather than creating harmony. The World Association of Writers was right to suggest that at this time religious

"sensitivities need to be calmed, not heightened".

I oppose religious hatred, but I also oppose the Bill, because I do not think that the latter will serve to reduce the former. I hope that the Government will reconsider its position, thus safeguarding Britain's long-held traditions of freedom of speech and freedom of religion.

9.31 pm

Mr. Dominic Grieve (Beaconsfield) (Con): This has been a fascinating debate. It has been most enjoyable to sit through. We heard two maiden speeches. The hon. Member for Dewsbury (Mr. Malik) made a speech of immense power and immense sincerity, and I am sure that he will make a great mark on the House.

When I first entered this place, someone told me that being in the House of Commons was rather like being on a cruise ship. One was completely isolated; there were function rooms to which one could go; one could go on deck and watch the sea passing by; but one was hermetically sealed off from everyone else. I only hope that we are not about to strike an iceberg, like the Titanic. I trust that that will not be our collective fate.

The hon. Member for Copeland (Mr. Reed) made a delightful speech. I am glad to note that the new orthodoxy of the Labour party is moving towards a greater appreciation of nuclear power, although the hon. Gentleman may well have to persuade some of his colleagues.

My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) pointed out that the Public Order Act 1986, as currently applied, is already having a powerful effect in curbing and setting limits to religious discourse. Street preachers are now routinely being hauled in, whether in my right hon. Friend's constituency or mine, on the basis that what they are saying in the street might be insulting to those on the receiving end—even when what they are saying is no more than that someone will go to hell if that person does not share their view. I do not want to become involved in that particular debate, but I will make one point, because it is immensely important.

If we are talking of setting limits on what might formerly have been thought to be very important freedoms, the Public Order Act as it stands—along with the religiously aggravated nature of offences—is going a long way towards doing that. Some of what is being done even causes me some disquiet. I do not want the Act to be changed, but I think that the House should bear that in mind. My right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) made similar points.

The hon. Member for Nottingham, North (Mr. Allen) made a powerful speech against the Bill. I can answer one of his points immediately. As the law stands, and as we have made it in the last 12 months, anyone can carry out a citizen's arrest of anyone on the basis of suspicion that that person has committed any offence. I ask the House to reflect on how that will operate under the Bill. It will be open to anyone to arrest any person whom he considers to fall foul of the legislation that we are about to pass. That will apply irrespective of whether the Attorney-General subsequently decides to bring a prosecution. The fact that the Bill is so widely drawn must mean that people will—technically, or at least allegedly—frequently commit offences. There will not even be the mechanism of redress for wrongful arrest because, even if the Attorney-General decides not to prosecute, it will not be capable of being argued that the arrest was wrongful. We will undoubtedly have to return to that issue in Committee, but it was a powerful point, well made. It highlights what I think are the absurdities underlying the Bill. As my hon. Friend the Member for South-West Devon (Mr. Streeter) rightly said, the Government do not understand their own Bill and that precisely illustrates the point.

The hon. Member for Leicester, South (Sir Peter Soulsby) made a powerful speech. I am familiar with his community and its diversity. I share his desire that we should all try to use temperate language about each other, but the Bill will not achieve that end and has many vices.

My hon. Friend the Member for Gainsborough (Mr. Leigh) made a powerful speech in respect of wishing to maintain freedom of expression. The hon. Member for Cannock Chase (Dr. Wright) shared the disquiet about the impact of the Bill. The hon. Member for Leyton and Wanstead (Harry Cohen) was concerned about the BNP but, as I pointed out, I think that the BNP is likely to be a net beneficiary of the Bill if it decides to set itself up as a religious sect, because it will be able to claim the protection of the legislation.

Philip Davies: In Bradford, we have the misfortune of having four BNP councillors. I would like to make it clear that I consider them a nasty bunch of thugs, to be honest, but does my hon. Friend agree that we have seen a rise in the BNP under this Government and that that is partly because of the political correctness that they have instilled, which stops people feeling that they can speak freely? The Bill will be a recruitment sergeant for the BNP as more and more people feel that their legitimate views cannot be expressed any further.

Mr. Grieve: My hon. Friend makes an important point, which is reflected in the Cantle report, if one bothers to read it. It made it clear that those who espoused extreme views were those who felt themselves to be marginalised, sometimes unjustifiably but sometimes with some justice. That is why the House should be very careful before it creates a new class of marginalised individuals.

Mr. Charles Walker (Broxbourne) (Con): Do Labour Members take any responsibility for the rise of the BNP over the past eight years, because it is people like us who are fighting it on a daily basis, clearing up their mess?

Mr. Grieve: It would be wise if the Government were to heed that problem and to listen to the contributions that people make to improve the legislation.

My hon. Friend the Member for Henley (Mr. Johnson) gave some good examples concerning religion. My hon. Friend the Member for The Wrekin (Mark Pritchard) raised the valid point that homosexual groups have pointed out that some Christian sects may be able to claim protection from utterances of great unpleasantness on the grounds that those are part of their own religious beliefs.

May I attempt, partly for the benefit of the hon. Member for Rhondda (Chris Bryant), to summarise why the Bill will not achieve its intended consequence? There is no definition of religion. Indeed, religion cannot be defined. There are two separate sets of current definitions, one in charity law and one under the Human Rights Act 1998, but religion undoubtedly covers a multiplicity of sects, including sects that many hon. Members would consider to have unpleasant and outrageous beliefs. If that is the case, on what basis is the House going to say to the citizens of this country that they cannot have intense dislike of such organisations?

Intense dislike is all that the word "hatred" means, yet in the debate we have heard again and again people say that hatred is tantamount to carrying out an assault or violence on an individual. Incitement to violence is already well covered by the criminal law. The dictionary definition of hatred, the only definition, is "intense dislike", so the House needs to ponder the question: why should people not have the right to intensely dislike the beliefs of others? The point was well made. One cannot divorce the belief—this was the point made by Rowan Atkinson—from the believer. How are we going to deal with those circumstances to create legislation that is workable? The Minister and the Government have provided no answer whatsoever to that question.

We will attempt to look at this issue in Committee, but on the face of it, religion is a matter of personal belief and conscience. During this debate, some Members have said that it is not—that it is a cultural thing, and that many people are born into their religion. I accept that, but it could equally well be said that many of us are born into our political beliefs as well. However, I have never heard it suggested that as a result of our being so born, those political beliefs should not be open to the criticism and censure in which we routinely engage in and outside this House.

We are taking a completely wrong turning when we seek to equate religion with race. One is immutable, the other is not. One is a matter of choice and conscience, the other most definitely is not. I suggest to the Minister that it is because he has tried to translate this concept into established legislation that he is getting into so much difficulty. I want to concentrate on that point for one moment.

This House may not have too much difficulty with the concept that we should not intentionally seek to stir up hatred against other people on the ground of their religion, although as I have pointed out, there may be perfectly legitimate reasons why one should want to stir up intense dislike of people who have horrible religious beliefs. But the Government are going even further. The amendment to the 1986 Act, quite apart from the wording of the Act itself, introduces the concept that one may commit this offence without intent, simply because

"having regard to all the circumstances the words, behaviour or material are . . . likely to be heard or seen by any person in whom they are . . . likely to stir up racial or religious hatred."

On looking at the factors that have to be decided objectively, in order to commit this offence one has to threaten—we would all agree that such an action is wrong—and to be abusive, which most people would also agree is wrong in most discourse. But one can also commit this offence by insulting others. The term "insult" is very wide. It was deliberately made wide in race relations legislation because there can be no grounds for insulting somebody on the basis of their race. But there may well be perfectly good grounds for wishing to express views that could be construed as insulting.

The Minister listened earlier to interventions that dealt with the question of whether the Pope is the Antichrist. I regard that as an insulting comment. The novel "The Satanic Verses" is full of insults against Muslims—there is no way of avoiding that. For that matter, "The Da Vinci Code", a current bestseller, is undoubtedly blasphemous and insulting to Christians—

[Mr. Grieve]

if they feel minded to be insulted by it. Yet all that one need do for the offence to have been committed is simply to be insulted by these things, and then find someone who is stirred up to hatred as a result.

This country, I am afraid, as we all know from our constituencies and our own experience, has a plentiful load of cranks who are stirred up to hatred of their fellow men at the merest opportunity. There are religious bigots. There are individuals with messianic views. All these people, on the basis that they may be encouraged in that position, will be the catalyst through which individual comments can be converted into criminal offences. I simply cannot believe that that is what the Government intend, and we will work hard in Committee to try to rectify these, the Bill's worst vices.

That does not get away from the fact that this is bad law. If we want to improve it, we should consider the Lord Lester amendment—it has been canvassed on previous occasions—which has the merit of preventing racial abuse by proxy and incitement to racial hatred by proxy, while not having the enormous problems associated with the Government's approach.

The more one reads the text of the Bill, the more one realises that the Government are creating a catch-all piece of legislation and then seeking to reassure people on the basis that no one will be caught very much because they will ensure that the Attorney-General exercises his discretion to stop it happening. That is not a basis, Mr. Speaker, on which the House should legislate. In fact, it is offensive to law-abiding people in this country, leaving them in a state of uncertainty and creating the very climate in which demands will be made for the unjustified prosecution of individuals. It will foment hatred rather than reduce it; and it is for that reason that the House would be well advised to vote for the reasoned amendment and against the Bill.

9.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): The one thing on which we can all agree is that we have had a rich, interesting and genuine debate. You may not be surprised to learn, Mr. Speaker, that part of my preparation for taking the Bill through Parliament, knowing how controversial it is, was to seek some divine inspiration. Imagine my discomfort when, at my church on Sunday, the following passage from Jeremiah was read out.

> "I hear so many disparaging me. Terror from every side! Denounce him! Let us denounce him . . . All those who used to be my friends watch for my downfall."

Sometimes as a Home Office Minister, it is like that—but only sometimes.

I was relieved, to say the least, to hear so many of my hon. Friends speak so strongly in favour of this important measure. My right hon. Friends the Members for Holborn and St. Pancras (Frank Dobson) and for Southampton, Itchen (Mr. Denham) and my hon. Friends the Members for Leicester, South (Sir Peter Soulsby) and for Tooting (Mr. Khan) all gave strong, wide-ranging speeches about the need to meet the challenges of today in a changing world.

My hon. Friend the Member for Copeland (Mr. Reed), in an excellent maiden speech, related the issues of the debate to his own constituency. For one fleeting and enjoyable moment, he took us to the beauty of Wastwater, which is a wonderful place. My hon. Friend the Member for Dewsbury (Mr. Malik), in what has been acknowledged on both sides of the House as a powerful speech, drew on his personal experience as well as his political analysis. In my view, he will indeed last longer than the bandmaster of the Titanic who, as we heard, came from his constituency.

My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) spoke strongly in support, as he always does. He has a proud record of pressing these issues in this place and in his constituency. My hon. Friend the Member for Rhondda (Chris Bryant) who always contributes to these debates did so again, though, as he freely acknowledged, his aspirations lie somewhat beyond the narrow remit of the Bill.

The Bill clearly generates strong views both for and against the proposed offence, and our debate has provided ample opportunity for both sides to put their views on the record. The right hon. Member for Suffolk, Coastal (Mr. Gummer) and, indeed, the hon. Member for Gainsborough (Mr. Leigh) made strong speeches, and I am pleased to confirm that neither said anything that would contravene the proposed new offence.

Mr. Gummer *rose—*

Paul Goggins: I have only a short time in which to respond to five and a half hours of debate, so I cannot keep taking interventions. Nevertheless, I did make a point about the right hon. Member for Suffolk, Coastal, so I will take just his intervention before proceeding.

Mr. Gummer: I thank the Minister for that. If what I said would not be caught by the Bill, will he give us a single example of what would be caught by this Bill that is not caught by any other legislation now in force?

Paul Goggins: The wisdom of my path will be demonstrated when I come to that precise point later, but I will come to it in a few moments, not immediately.

The hon. Member for North Antrim (Rev. Ian Paisley) gave us, in his own words, probably his shortest sermon ever. He said that it was his duty to defend our faith with the gifts that God has given us. I agree with that. With this Bill, we want to defend people of faith against whom hate is incited because of that faith. That is the aspiration behind the proposed offence.

This is the third time that the Government have brought this measure to Parliament. As my right hon. Friend the Home Secretary made clear earlier, there are differences in the way in which it is being presented. First, it is a stand-alone Bill, not connected with other measures that may or may not be controversial. That will allow us to focus closely on what it contains and to conduct our scrutiny as we should. Secondly, the Bill comes at an early stage in this Parliament and fulfils a manifesto commitment. We are not running against the clock with this measure. Everyone understands that it was in the policy programme of the party that won the election and that that is why we intend to legislate.

There are three specific reasons why we want this law on incitement to hatred on grounds of religious belief to be added to racial hatred. First, we believe that it is the right thing to do. We know that some would seek to turn people's fears and frustrations into hatred of others purely on the grounds of their faith.

Philip Davies: Will the Minister give way?

Paul Goggins: No, I will not.

In a modern and diverse society such as ours, that is simply wrong, and we should not be afraid to make that clear in the law.

Secondly, the new offence will close the unacceptable loophole in existing legislation that means that Jews and Sikhs, who have a distinct ethnic as well as religious identity, are protected from incited hatred, whereas other faith groups, and those without religious beliefs, are not. Thirdly, there is compelling evidence—including evidence given to Parliament by the police—that identification of communities purely along racial lines is no longer adequate. Some extremists exploit that to incite hatred against groups and individuals with impunity. In particular, although they do not deny that there were other political and social causes, the police believe that the gap in the law was part of the mix that led to the disturbances in our northern towns and cities in 2001.

Racial hatred and religious hatred exist. They have the potential to create fear in individuals and to tear communities apart, creating dangerous tensions that can lead to discrimination, abuse or violence. The Bill is designed to allow everyone to have the sense of security and safety to which they are entitled.

I turn now to some of the main points that have come up in the debate.

Philip Davies: Will the Minister give way?

Paul Goggins: No, I will not.

The first point had to do with what the prosecution would have to prove. Every Opposition Member who spoke raised that point, but I do not think that any of them had a full grasp of the effects of the proposals. To prove incitement, a person has to be shown to have used threatening, abusive or insulting words or behaviour and that, having regard to all the circumstances, the words, behaviour or material are likely to be seen by any person in whom they are likely to stir up religious hatred. All the Opposition Members who spoke mentioned that, but section 18(5) of the Public Order Act 1986 states that the defendant must have intended his words or behaviour to be threatening, abusive or insulting, or was aware that his words or behaviour might be threatening, abusive or insulting. That is a very important point. It shows that intention must be proved, as must the use of words and behaviour to that end. The mental element must therefore be present in both limbs of the offence.

It was also argued that the Bill will place an unfair restriction on free speech, that it will stop comedians telling jokes and prevent people with strong views about religion from expressing their opinions. I promise the House that I will not tell any jokes tonight, but I emphasise that there is nothing in the humour of Rowan Atkinson, Stephen Fry or any of those who lampoon religion that would be caught by the Bill. Hatred is a high test, as the hon. Member for Beaconsfield (Mr. Grieve) knows. It involves intense dislike, but it also involves hostility and enmity. The lower test of alarm or offence does not apply.

Mr. Grieve: Will the Minister give way?

Paul Goggins: I will not give way on that point because I shall come to the request, made by the right hon. Member for Suffolk, Coastal and many other hon. Members, that Ministers give examples of the kind of behaviour that would be captured by the offence. Ministers are always pressed to give examples of specific offences, but there are great dangers in doing so. As we know, it is for the courts to decide whether or not an offence has been committed. However, many hon. Members on both sides of the House will have seen the kind of vile material that could be used to incite hatred on the grounds of religious belief; but, of course, proving such incitement requires a knowledge of the context in which that material was used.

It is true that such material might be captured by the religiously aggravated offences that we have created in recent years—it could be captured by the offences of incitement to hatred, to violence or even to murder—but we have judged that there is a gap between the aggravated offences and incitement to violence and hatred. Where people incite hatred, there is a gap that parallels incitement to hatred on the grounds of race, and we believe that that gap needs to be filled. So there is no perfect example that I can give to the right hon. Gentleman.

Philip Davies *rose—*

Mr. Carmichael: Will the Minister give way?

Paul Goggins: No, I will not give way, but I can certainly tell the right hon. Member for Suffolk, Coastal that materials exist that could, in the right circumstances, be used to incite religious hatred in the way that I have outlined.

Mr. Gummer: Will the Minister give way?

Paul Goggins: No, I will not give way.

Mr. Gummer *rose—*

Mr. Speaker: Order. The hon. Gentleman is not giving way. May I say that the private conversation in the Chamber is absolutely deplorable. The Minister is entitled to respond to the debate, and he should be given a hearing.

Paul Goggins: Those with strong views about certain beliefs will still be able to speak out. It will still be possible to criticise the beliefs, teachings or practices of a religion, or to claim that they are false or harmful. People will still be free to proselytise or to urge the followers of a different religion to cease to practice theirs. Even if their comments are intended or likely to

[Paul Goggins]

cause grave offence, they still will not be covered by the new offence. We are seeking to protect the believer, not the belief.

In line with the assurances given by my right hon. Friend the Home Secretary earlier, I assure my hon. Friend the Member for Cannock Chase (Dr. Wright) that we will consider whether there are ways in which the Bill can be strengthened to provide the kind of assurances that he seeks.

Mr. Gummer: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I am quite sure that it is not a point of order, but I will hear the right hon. Gentleman.

Mr. Gummer: Mr. Speaker, is it in order for the Minister to promise a Member that he will answer his question and then specifically fail to do so?

Mr. Speaker: The Minister is in order. If things were otherwise, I would tell the Minister that he was out of order.

Paul Goggins: Thank you, Mr. Speaker.

It is also worth reminding the House, as my hon. Friend the Member for Tooting did earlier, that in commenting on the offence that we propose to establish in March this year, the Joint Committee on Human Rights said:

"We accept the existence of a serious, albeit limited, problem of incitement to hatred on religious grounds. We consider that the measures proposed in the Bill are unlikely to give rise to any violation of the right to freedom of expression under article 10 of the ECHR".

It is true that we do not expect there to be a huge number of prosecutions. In nearly 20 years, there have been only 76 prosecutions for inciting racial hatred, 44 of which resulted in a conviction. However, we expect that the new offence will have a desirable deterrent effect. The Board of Deputies of British Jews holds the strong view that the incitement to racial hatred offence has reduced the spread of anti-Semitic literature, and we expect that the new offence will stop extreme groups and individuals from using religious belief to stir up hatred.

The debate has been good and genuine. I accept that the measures are controversial but we shall debate them further in Committee in an open-handed way, and we shall no doubt bring the Bill back in an improved form. It is an important Bill, and I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 246, Noes 303.

Division No. 14] **[9.59 pm**

AYES

Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Ames
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Kenneth Clarke
Mr. Clegg
Mr. Clifton-Brown
Derek Conway
Jeremy Corbyn
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
Charles Hendry
Mr. Herbert
Lady Hermon
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
Mr. Howard
David Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Mr. Charles Kennedy
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Malins
Mr. Maples
Mr. Marshall-Andrews
Mr. Mates
Mr. Maude
Mrs. May
John McDonnell
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moore
Mr. Moss
Greg Mulholland
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Öpik

Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Randall
Mr. Redwood
Mr. Alan Reid
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Mr. Ruffley
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Keith Simpson
Sir Robert Smith
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter

Mr. Graham Stuart
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Mr. Ian Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vara
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waring
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Whittingdale
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Mark Williams
Stephen Williams
Mr. Willis
Jenny Willott
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Jeremy Wright
Mr. Yeo
Sir George Young
Richard Younger-Ross

Tellers for the Ayes:
Mr. Henry Bellingham and Andrew Stunell

NOES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Margaret Beckett
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blunkett
Mr. Borrow
Kevin Brennan
Mr. Gordon Brown
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown

Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Mr. Caton
Mr. Cawsey
Mr. Chaytor
Mr. Clapham
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham

Mrs. Curtis-Thomas
Mr. Darling
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mr. Ingram
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins

Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy

Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Olner
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Noes:
Claire Ward and
Mr. Parmjit Dhanda

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading):—

The House divided: Ayes 303, Noes 247.

Division No. 15] **[10.16 pm**

AYES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Margaret Beckett
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blunkett
Mr. Borrow
Kevin Brennan
Mr. Gordon Brown
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Mr. Chaytor
Mr. Clapham
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. Darling
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Killoyle
Jim Knight
Dr. Kumar
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire

Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Olner
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck

Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Ames
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
John Bercow

Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Mr. Singh
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes: Claire Ward and Mr. Parmjit Dhanda

NOES

Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes

Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Colin Challen
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Kenneth Clarke
Mr. Clegg
Mr. Clifton-Brown
Derek Conway
Jeremy Corbyn
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory

Charles Hendry
Mr. Herbert
Lady Hermon
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
Mr. Howard
David Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Mr. Charles Kennedy
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Malins
Mr. Maples
Mr. Mates
Mr. Maude
Mrs. May
John McDonnell
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moore
Mr. Moss
Greg Mulholland
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Mr. Prisk
Mark Pritchard

Dr. Pugh
Mr. Randall
Mr. Redwood
Mr. Alan Reid
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Mr. Ruffley
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Keith Simpson
Sir Robert Smith
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
David Taylor
Mr. Ian Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vara
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Whittingdale
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Jeremy Wright
Mr. Yeo
Sir George Young
Richard Younger-Ross

Tellers for the Noes:
Mr. Henry Bellingham and Andrew Stunell

Question accordingly agreed to.

Bill accordingly read a Second time.

RACIAL AND RELIGIOUS HATRED BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Racial and Religious Hatred Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 30th June 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Gillian Merron.]*

The House divided: Ayes 305, Noes 235.

Division No. 16] **[10.30 pm**

AYES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Margaret Beckett
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Borrow
Kevin Brennan
Mr. Gordon Brown
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
David Cairns
Mr. Alan Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Tom Clarke
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mrs. Curtis-Thomas
Mr. Darling
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Phil Hope
Kelvin Hopkins
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones

Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
John McDonnell
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oliver
Sandra Osborne
Albert Owen
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Rayneford
Mr. Andy Reed
Mr. Jamie Reed
Mrs. Riordan
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Clare Short
Mr. Simon
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Claire Ward and
Mr. Parmjit Dhanda

NOES

Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Ames
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Kenneth Clarke
Mr. Clegg
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Mr. Francois
Mr. Fraser
Mr. Gale
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Gummer
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
Charles Hendry
Mr. Herbert
Lady Hermon
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
Mr. Howard
David Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Dr. Julian Lewis

Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Malins
Mr. Maude
Mrs. May
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moore
Greg Mulholland
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Randall
Mr. Redwood
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Mr. Ruffley
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Keith Simpson
Sir Robert Smith
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Mr. Ian Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
Mr. Andrew Turner
Mr. Tyrie
Mr. Vara
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Mr. Whittingdale
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Jeremy Wright
Mr. Yeo
Sir George Young
Richard Younger-Ross

Tellers for the Noes:
Mr. Henry Bellingham and
Mr. Alan Reid

Question accordingly agreed to.

Primary Schools (Swindon)

Motion made, and Question proposed, That this House do now adjourn.—*[Gillian Merron]*

10.42 pm

Anne Snelgrove (South Swindon) (Lab): Thank you, Mr. Speaker, for giving me the opportunity to raise in this Adjournment debate education issues that are of great concern to my constituents in west Swindon. The big issue for primary education in that area is surplus places and the need to demonstrate that action is being taken to reduce them. That there is a problem of surplus places is not in dispute; parents, teachers and the local authority accept the fact. There is, however, a dispute over how much of a problem exists and what action should be taken.

Swindon borough council is a small unitary authority with responsibility for education. Recently, the local education authority received the good news that it was no longer in special measures, and that there were no schools in special measures in the authority. I would like to take this opportunity to congratulate the LEA, its officers and the schools and teachers on that achievement. It represents a significant step forward and will undoubtedly mean better education and life chances for all the children in Swindon, including those in west Swindon.

Reorganisation of schools is always difficult. I have personal experience of this in my previous career as a local education adviser, and in my political career as vice-chair of Berkshire's education committee in the 1990s. While I was a chair of governors, I oversaw the successful merger of an infants school and a junior school into a primary school. That was difficult to achieve, even with the support of the staff of both schools and of the majority of parents, with several issues continuing to resonate 18 months later at the new primary school's Ofsted inspection. All this experience has led me to the understanding that school reorganisation can destabilise even seemingly robust school communities. In more fragile communities, it can be a disaster.

My experience has also led me to believe that a number of principles need to be in place for successful reorganisations to occur. First, the educational reasons must be absolutely sound and honest for the current intake of children, and for future intakes. Secondly, the figures must add up, and must command the confidence of the wider community. Thirdly, there must be no hidden agenda on anyone's part, including that of local councillors, and nothing should be said or done to encourage the belief that there is. Fourthly, the confidence of the majority of parents must be maintained throughout the process and consultation must begin at an early stage.

TeacherNet, the widely respected Department for Education and Skills website for teachers and education providers, outlines best practice in reorganisations. A successful primary school reorganisation involves a number of factors, it says. First, the ground should be prepared and a set of guiding principles should be developed to underpin the approach, covering preferred size of schools, maximum travelling time of pupils, triggers for school review based on admission numbers, and criteria for demanding action at one school rather

than another. Secondly, options should be identified and all the options should be examined before decisions are made. They might include a reduction in accommodation, alternative uses of accommodation such as extended services, changes in admission numbers, and amalgamation or closure. Lastly, partners should be involved. Key partners include parents, housing departments and trusts, planning and environment, transport, dioceses and many other groups.

TeacherNet makes clear that local education authorities should

"anticipate and respond to parents' concerns about the options being proposed."

As I shall demonstrate, I am not convinced that those principles were followed in the west Swindon reorganisation for all the schools involved.

The west Swindon consultation involved several public meetings, six of which I attended. My experience of the meetings did not fill me with confidence that the consultation was being conducted in an unbiased and open way. At two of the meetings, local Conservative councillors reassured parents that the school where the meeting was being held would be "all right" and that they had nothing to worry about. As these were public meetings, there were parents present from other schools who did not receive the same assurance at the public meeting on their school site. Naturally, that did not fill my constituents with confidence, and word quickly spread throughout the community that it was a paper exercise and councillors had already made up their minds about which schools would close.

The outcome of the consultation was that one school, Salt Way, was earmarked for closure from January 2006 and further discussions were to be held about three others, Toothill, Freshbrook and Windmill Hill. The decision on Salt Way was leaked to the local paper, so parents and teachers discovered that the school was likely to close during the Easter holiday break. That is not a good way to find out about the future of one's child's education or one's job. At Salt Way, most of the permanent staff have understandably found other jobs and will be leaving at the end of this term. I gather from discussions last week with the director of education that only two permanent members of the teaching staff remain, one of whom is on long-term sick leave. It has also become apparent that the closure of the school by January 2006 looks unachievable because there are no places in nearby primary schools for most of the children who currently attend Salt Way.

The current solution is to bring in teachers from other schools on secondments to teach the children. The process has resulted in plummeting staff morale, disruption to children's education and a question mark over when and if the school will close. Only tonight I was told by one of the parents that the LEA had announced at a meeting this afternoon that the school would close in August 2006 and that an extension would be built at Shaw Ridge school to take the extra pupils. There has been no exploration with parents of the alternatives to closure. On behalf of my constituents, I am genuinely disappointed by the high-handedness of the approach and sad that I learned about it through a parent.

The school has been left dangling, and as its representative I must do all that I can to ensure that the children's education is protected. I ask the Minister to look into the issue for me as it has ramifications for the other three schools whose future is also under discussion. The situation must not be allowed to happen twice.

I hope that, from my description, the Minister will understand my concern about the robustness of the surplus place figures used by Swindon LEA. To announce a school closure consultation and then discover that there are not enough places for the existing children to go to is not best practice, and I ask the Minister to examine the figures that have been produced. One of the difficulties may lie in the net capacity figures. Over the years, temporary classrooms have been added to west Swindon schools to accommodate expanding pupil numbers. They contribute to the net capacity figures, but many of the classrooms are past their sell-by date and could easily be taken out of commission.

In addition, many schools, including Salt Way, have done what the local education authority and the Department for Education and Skills asked of them—converted surplus classes to IT suites, pre-school groups, libraries and parent and community rooms. All those are needed, particularly in our more deprived wards, and all are good practice, but it strikes me and the schools as unfair that those spaces are then used to calculate how many children a school could and should accommodate.

The reality is that the schools cannot take up to the pupil numbers required by the DFES calculations. The situation that the Salt Way pupils are in demonstrates that. In theory, there should be room in neighbouring schools—after all, the figures demonstrate that—but in practice there is not because the spaces are not classrooms.

Moving on to the other schools under threat of closure, I will first refer to Toothill. Toothill is the most deprived ward in west Swindon and Toothill school serves that community. It has the third highest proportion of children in the borough with English as an additional language. Its unit for children with moderate learning difficulties has been integrated successfully into the main stream. It has a successful buddy mentoring scheme that has reduced bullying and made the playground a good place to be for all children. There are strong links between the school and the local community, with the school seen as the centre for community activities, including the west Swindon family centre. TeacherNet advises that local authorities should investigate the impact of the loss of such an institution on communities, but there was no mention of that in the consultation. I wish to be reassured that the LEA has considered that issue.

The local community in Toothill feels under attack because of the threat to the school. From my own knowledge of the area, I believe that significant numbers of vulnerable children would be at risk if the school were to close or to merge on another site. Because of the design of the estate, it would mean a difficult journey to reach another school.

The school governors and parents have worked with the LEA throughout the consultation and are aware of the falling rolls issue. They have a number of old and decrepit temporary buildings that could be taken out of commission, reducing the space, but they also have

[Anne Snelgrove]

accommodation problems in their main building and desperately need a new school building. They tell me that they are "up for anything" in terms of the Government's extended schools and child first policy initiatives. I hope that Swindon borough council will be able to work proactively with the school to ensure its continued future in serving a vulnerable community.

Now I come to the most difficult aspect of the whole reorganisation. I do not envy the LEA's task as Freshbrook and Windmill Hill schools are round the corner from each other, yet face very different issues and, despite being neighbours, serve very different communities. Freshbrook's rolls have fallen, while Windmill Hill's are robust and show no surplus places. In fact, the school is slightly over-subscribed and parents are passionate in their support of the school, as was demonstrated in the large numbers of Windmill Hill parents' responses to the consultation, but the school is in temporary premises and was built when pupil numbers on the Freshbrook estate exceeded those planned. When I say "temporary premises", those are the Rolls-Royce of temporary classrooms, having been lovingly maintained and improved over the years.

Freshbrook school has recently come out of special measures, on which I congratulate the head teacher and staff. However, a significant number of parents removed their children from Freshbrook during its recent difficulties and placed them in Windmill Hill. Therefore, we immediately have a problem in that those parents' memories of Freshbrook are of a school where their children failed. Fair or unfair, that is the situation. Suggestions by the local authority to close Windmill Hill, an over-subscribed school that has been successful for many years, or to merge it with Freshbrook, a newly successful school, have been met with great fear by the parents. There is such a feeling against those options that the LEA needs to reconsider them and meet its obligations to consult parents in detail on the proposal.

Another solution must be found. DFES guidance suggests alternative avenues for reorganisation such as federation, collaboration and co-operation. The main rationale of those is to raise standards and to address some of the problems of falling rolls, but under them a school maintains its separate identity. A wide variety of different arrangements for schools working together are available and it is right to ask whether all the options were considered by the council.

There are two other issues that I ask the Minister to consider. Throughout the consultation, parents were presented with arguments that Government policy is for two-form entry schools. I can find no reference to that anywhere. In fact, the DFES position is that the responsibility lies with local government. DFES guidance says that primary schools of about 420 pupils, which are two-form entry, or of 210 pupils, which are one-form entry, are the most efficient and offer a critical mass that promotes more efficient teaching and learning. I hope that the Minister will agree that one-form entry schools offer choice for parents and should be encouraged. One size does not fit all and we need a diverse mix in Swindon. Keeping one-form entry schools could remove the need to close schools.

Parents were also told that the Government's extended schools initiative means that some schools in west Swindon need to close. I hope that the Minister will tell me and parents that this is stuff and nonsense. My postbag has been full of letters from concerned parents who think that one of our flagship proposals will lead to the closure of their school. An email that I received from a parent at the weekend stated:

"My concerns are around the need to close successful schools in order to raise the necessary funding to build new extended schools. I don't believe this was the intention behind the government's proposals. If insufficient funding has been made available to the council for implementing extended schools without these drastic measures then I don't support their implementation. Otherwise the council is using the extended school proposals as a way of closing schools for economic reasons."

Some of the issues that have arisen in the council's consultation on primary education in west Swindon are the direct result of interpretations of Government policy and initiatives. There is a case, therefore, for us to explore and answer, and there may be action that we in this place need to take, as well as action that Swindon borough council needs to take in my constituency.

I hope that I have made the Minister aware of my great unease at the way in which this consultation process has been carried out. I ask him to look at the decision to close Salt Way and at the consultation with the schools and the LEA. I ask him to remember that our education policy of extended schools and one-form or two-form entry schools needs to be explained properly and thoroughly to the LEA. I want to reassure my constituents and the LEA that I intend to work proactively with them to find a solution to this problem. I hope that they will meet me and my constituents halfway. It is my constituents for whom I have the greatest concern, along with their children's education.

10.57 pm

The Parliamentary Under-Secretary of State for Education and Skills (Phil Hope): I begin by congratulating my hon. Friend the Member for South Swindon (Anne Snelgrove) on securing this debate. She spoke very knowledgably and forcefully on her constituents' behalf, and she clearly has considerable personal experience of the issues that she raised. I am certainly aware of the interest that people living in Swindon are showing in the current review of primary school provision in west Swindon.

The Government are committed to continuing the drive to raise standards in education, so it will come as no surprise that we support the council's stated aims for the review, which are to provide high-quality education, to embrace the extended schools agenda—I will say more about that later—and to provide wide and all-encompassing community provision in west Swindon schools.

The Department's five-year strategy for children and learners, following on from the primary document, entitled "Excellence and Enjoyment—A Strategy for Primary Schools", sets out the success story of primary education, with many schools delivering very high-quality education. I am pleased to say that we have seen impressive strides forward in literacy and numeracy in recent years, and teaching has improved in every single curriculum subject in primary schools since 1997.

Although we have already made considerable progress, we recognise the need to provide all primary pupils with a quality primary education. I regret that there is an unacceptable variation in performance between schools. Authorities are encouraged to consider this when determining proposals under a review of provision. I am pleased to say that primary standards in Swindon are improving overall and are now moving in an upwards direction. There have been improvements this year of 4 percentage points in key stage 2 English and maths, and of 1 percentage point in science.

As we have just heard, Swindon council is reviewing primary school places across the whole authority, due to surplus places in the sector. My hon. Friend pointed out at the beginning of her speech that the problem of surplus places is recognised and is accepted as being part of the issue that needs to be dealt with. Swindon's school organisation plan projects a decrease in pupil numbers of 4.5 per cent. overall in the next five years, resulting in a level of surplus places of no less than 16 per cent. in 2008 if no action is taken. Following a consultation exercise on improving the education provision in west Swindon, completed in March, the education partnership board agreed to a pre-statutory consultation on the closure of Salt Way primary school and further discussions about the way forward for three other primary schools— Freshbrook, Toothill and Windmill Hill.

As a result of the pre-statutory consultation, the education partnership board will, on 30 June 2005—in nine days' time—consider a recommendation to close Salt Way primary school with effect from 1 September 2006, together with a linked proposal to expand Shaw Ridge primary school from the same date. I am not aware of any meeting or decision taken today to that effect, though my hon. Friend mentioned it in her speech. I understand that there has been a visit from Ofsted inspectors today, and I am not sure whether that might have created some confusion. I am sure that my hon. Friend will find out more when she returns to her constituency. Shaw Ridge primary school is in the same planning area as Salt Way primary school and places will be required to accommodate pupils. Statutory notices will then need to be issued to implement the proposals.

The outcome of discussions about the three other primary schools—Freshbrook, Toothill and Windmill Hill—will be reported to the education partnership board on 22 September 2005, which may lead to pre-statutory and statutory consultation, if appropriate.

My hon. Friend referred to staffing. I understand from the authority that staff are now being appointed at Salt Way primary for one year, in the first instance, pending decisions on the future of the school. I appreciate that there is inevitably a period of uncertainty for everyone involved, as my hon. Friend mentioned, and I would encourage the local authority to continue to give active support to the governing body of the school during this difficult period.

On the issue of school organisation, the Government wish to encourage changes to local school provision that will boost standards and opportunities for young people, while matching school place supply as closely as possible to pupil and parental needs and wishes. The Education Act 1996 places a duty on each local education authority to ensure that sufficient school places exist to meet the needs of the local population in order to promote high standards of pupil attainment. If an authority decides to reorganise provision, decisions are not taken by Ministers, but made locally, which is what Swindon council is currently doing. The proposals for the schools mentioned have not yet moved into the statutory phase of the process. In view of my hon. Friend's concerns about the process, I would like to say more about how it is undertaken.

First, all interested parties must be consulted before proposals are published; they must be provided with sufficient information and allowed adequate time. I listened carefully to my hon. Friend's comments on how she saw it happening in Swindon. On deciding to proceed with closure proposals for individual schools, formal notices must be published in a local newspaper, posted at the main entrances of schools named in the proposals and placed in another conspicuous local area. There is then a six-week period for people to submit their representations in support of, or against, the proposals, except in the case of a school in special measures where one month applies.

If the authority has published the proposals and there are no objections, it may proceed and implement them. In all other cases, such as when objections are received, they are referred to the school organisation committee, which is made up of five or six groups each representing major stakeholders in the provision of education. Each group has one vote and must consider all the evidence in line with the guidance issued by the Secretary of State before reaching a decision. After that, if a unanimous decision cannot be reached, the case is referred to the independent schools adjudicator for a final decision.

Importantly, as my hon. Friend noted, the guidance for those publishing and deciding proposals for changes to local school organisation makes it clear that the Government are committed to greater personalisation and choice, with learners and parents at centre stage. However, that must be set in the context of raising standards.

Our guidance is that decisions must be made in the light of a range of factors, including the potential impact on local standards, the contribution to diversity, views of interested parties and cost effectiveness. We expect authorities to take full account of our offer on primary education, as set out in the five year strategy, when planning for primary school provision.

On the specific issue of the review of primary schools in west Swindon, surplus places can represent a poor use of resources that could be used more effectively to support schools in raising standards. In the light of a downward trend in the number of pupils in primary education, that is a concern both nationally and locally. We have developed, in conjunction with the Audit Commission, a web-based toolkit offering a range of practical advice and guidance on dealing with falling rolls, as has happened in Swindon.

As I said earlier, I understand that Swindon's school organisation plan, published last year, identified a potential increase in surplus places in the west of Swindon and hence the need for a review. The latest Ofsted report for Swindon LEA stated that the authority was now making good progress in this area

[Phil Hope]

and that planning was satisfactory. It did, however, mention the high level of surplus places in primary schools in the west of Swindon.

Along with the need to remove surplus places, the 2004 Ofsted inspection of Salt Way primary school identified that the school had serious weaknesses, especially in leadership and management. Although it provided an acceptable standard of education for its pupils, it was not effective enough. As I said earlier, Ofsted inspectors were due to visit the school again today, but it is for individual authorities to decide whether, and how, they reduce levels of surplus places taking into account local circumstances, including school performance as well as geographical and social factors.

My hon. Friend asked about extended schools and their use in these circumstances. I emphasise that extended schools are an important element of the Government's commitment to primary education. In embracing the extended schools agenda, Swindon council is implementing the Government's vision on what schools can offer their communities, as expressed in our publication last week of the extended schools prospectus.

As my right hon. Friend the Secretary of State said in her announcement, the prospectus sets out how schools can develop additional services for families. We know that schools are at the heart of our communities, and it makes sense to extend the services that they offer beyond the traditional school day.

By the year 2010, all children under 14 who want it will have access to breakfast and after-school clubs that offer exciting activities from 8 am to 6 pm. That will give children the opportunity to keep fit and healthy, to acquire new skills and build on what they learn during the school day, as well as to have fun. I am sure that my hon. Friend will be pleased to see that aspiration and commitment implemented in extended schools in her constituency and around the country.

In west Swindon, the LEA proposes that, if a decision is made to close Salt Way primary school, the nursery would remain, with the feasibility of providing services to children and families being considered for the site.

We welcome the signs of positive improvement in the education system within Swindon, and early signs of progress on implementing the every child matters agenda. The aims of the west Swindon primary review appear to support that improvement. Swindon's education partnership board has an independent chair appointed jointly by a former Secretary of State and the council, and it has had a positive effect on educational progress in the council area. The latest report from Ofsted, as part of the October 2004 corporate governance inspection, reported continued overall progress in education.

I want to refer to capital funding, which my hon. Friend mentioned this evening. Of course, the Government are supporting the raising of standards with unprecedented investment in schools. Capital investment will reach more than £5 billion in 2005–06, and will increase further to £6.3 billion in 2007–08. Primary and secondary schools receive funding under existing programmes to provide repairs and improvements. In addition, our proposals for strategic investment include a long-term commitment to deliver 21st century learning facilities in primary schools.

The Chancellor announced in the 2005 Budget that the £150 million of new investment in 2008–09—rising to £500 million in 2009–10—will form part of a 15-year programme of primary school funding. Along with other capital funding already in the system, all primary schools will be maintained or, indeed, transformed. That funding has been made available in support of the Government's every child matters and extended schools agendas.

In short, having listened carefully to my hon. Friend's concerns—I am sure that people outside the House will listen to those concerns as well—we believe that the Government have in place a framework that seeks to address her concerns. We have a primary strategy and the five-year strategy for children and learners, which set out our plans for the future of primary education. We have established a framework for local decision making on school organisation that places decision making in the community that those involved serve and know. We have taken robust action to drive up standards in all schools, and we have greatly increased the capital available for investment in school buildings. I hope that, with the commitment of parents, the education authority and, indeed, my hon. Friend, the framework that we have put in place will ensure that the transition process that is happening in her constituency achieves the best outcome for the people who matter most—the children of her constituency.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Eleven o'clock.

House of Commons

Wednesday 22 June 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LIVERPOOL CITY COUNCIL (PROHIBITION OF SMOKING IN PLACES OF WORK) BILL [*Lords*]

Order read for resuming adjourned debate on Question [24 May],

That so much of the Lords Message [19th May] as relates to the Liverpool City Council (Prohibition of Smoking in Places of Work) Bill [*Lords*] be now considered.

Question put and agreed to.

Resolved,

That this House concurs with the Lords in their Resolution.—*[The Chairman of Ways and Means.]*

Message to the Lords to acquaint them therewith.

LONDON LOCAL AUTHORITIES (PROHIBITION OF SMOKING IN PLACES OF WORK) BILL [*Lords*]

Order read for resuming adjourned debate on Question [24 May],

That so much of the Lords Message [19th May] as relates to the London Local Authorities (Prohibition of Smoking in Places of Work) Bill [*Lords*] be now considered.

Question put and agreed to.

Resolved,

That this House concurs with the Lords in their Resolution.—*[The Chairman of Ways and Means.]*

Message to the Lords to acquaint them therewith.

Oral Answers to Questions

WALES OFFICE

The Secretary of State was asked—

Electoral System

1. **Mr. Wayne David** (Caerphilly) (Lab): What steps the Government plan to take to reform the electoral system for the National Assembly for Wales. [5058]

3. **Jessica Morden** (Newport, East) (Lab): What steps the Government plan to take to reform the electoral system for the National Assembly for Wales. [5061]

The Secretary of State for Wales (Mr. Peter Hain): Last week, I published the White Paper "Better Governance for Wales", which sets out the changes the Government propose to the electoral system for the National Assembly for Wales in chapter 4.

Mr. David: I thank my right hon. Friend for his reply. Does he agree that in elections to the Welsh Assembly there is a democratic deficit? That is because individuals who stand in the constituency list and lose can nevertheless get elected on the regional list.

Mr. Hain: I very much agree with my hon. Friend, as Conservative Members would be astonished to know. I have been looking at some of the figures and at what has happened: Eleanor Burnham, 7.9 per cent. in Clwyd, West, elected as a regional Member; Owen John Thomas, 8.7 per cent. in Cardiff, Central, elected as a regional Member; Laura Jones, 10 per cent. in Caerphilly, elected as a regional Member; Mike German, 14 per cent. in Torfaen, elected; and Lisa Francis, 16 per cent. in Meirionnydd Nant Conwy elected. In all of those cases losers became winners. The system is abusing the electoral process.

Jessica Morden: Will my right hon. Friend consider using a single vote rather than two to elect additional Members, as is being considered by the Arbuthnot commission in Scotland?

Mr. Hain: My hon. Friend raises an interesting point. Like her, I have noticed that that is being argued for in respect of Scotland in some of the evidence put to the independent commission. I know from my own constituency experience that voters find it confusing having two ballot papers. It may be that it is something that we need to consider. I would be interested in further representations on the matter from her or other colleagues, or from Opposition Members.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does this not sum it all up—no discussion about the Richard commission about legislative proposals? Instead, there is a planted question from the Whips to do with a spiteful, narrow little party point. That shows new Labour as exactly what it is—itself first, the people of Wales last.

Mr. Hain: Actually, it is Plaid Cymru's policy to put itself first and the people of Wales last, which is what would happen if it got its way and Wales was dragged into independence against its will.

I remind the hon. Gentleman of a quote from the Electoral Reform Society, an independent non-party body. It says:

"A system in which candidates can lose elections but nevertheless win seats undermines respect for the electoral process. There is also a concern that list Members can cherry-pick issues, deciding to focus their activities on those issues most likely to raise their profile or create problems for their constituency opponents".

I am astonished that of all the issues the hon. Gentleman could have chosen to raise with me this afternoon, he chose to defend the indefensible.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am pleased that the Secretary of State is answering this question because he is on record, when he was a member of another party, as supporting the single transferable vote for proportional representation. As that was the recommendation of the Richard commission, will he put on the record why he is now against STV and the reasons for that?

Mr. Hain: Actually, the hon. Gentleman is plain wrong. More than 30 years ago, when I was in the Young Liberals, I argued against Liberal policy on the single transferable vote. I have always advocated the alternative vote system, which retains the single Member constituency, in which electors can get rid of people who they do not want and elect people who they do want, which cannot be done under the Liberal Democrat proposals.

Bill Wiggin (Leominster) (Con): Will the Secretary of State explain why he did not see the anomalies of that system when all Labour Assembly Members stood on both the regional and the constituency lists?

Mr. Hain: For the simple reason that I did not have any idea then—and neither did the then Secretary of State—that there would be widespread abuse of the system, which was designed to achieve greater proportionality and, for example, allow Conservatives to be elected to the Assembly. They could not possibly be elected otherwise, given the number of votes for them across Wales. The system was designed to be fairer, and it demonstrated generosity. We did not realise, however, that there would be flagrant abuse of the system whereby losing candidates, including a whole string of Conservatives, set themselves up in the very constituencies where they were defeated as rival Assembly representatives to the elected Members. The Electoral Reform Society is therefore concerned, as is the former Conservative Secretary of State, Lord Crickhowell, who said that the arrangements are "pretty indefensible".

Bill Wiggin: As the Secretary of State is so anxious to be fair to the Welsh electorate, will he look at the size of Welsh constituencies and the number of Welsh MPs?

Mr. Hain: No, I will not. The number of Welsh MPs reflects fairly the needs of Wales. The proposals in the White Paper, not just those on the electoral system, do not alter that at all. I find it odd that the shadow Secretary of State is making all sorts of points about the Assembly's future structure when his policy is to abolish it.

Smoking

2. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions he has had with the Secretary of State for Health on legislation to ban smoking in public places in Wales. [5060]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): My right hon. Friend the Secretary of State has had regular discussions over the past few months with the Secretary of State for Health on this matter. Earlier this week, the Government published a consultation on proposals for introducing smoke-free environments in England and Wales.

David Taylor: Early-day motion 333, which was tabled in my name, welcomes the vote of the National Assembly to seek powers to restrict smoking in workplaces and public places. Does the Minister agree that whether someone works in an office or in a non-food pub, they deserve equal rights to health protection? Will he resist any attempt by his ministerial colleagues to weaken the potential for a Welsh blanket ban with exemptions that may make the English one unworkable and unsustainable?

Nick Ainger: Perhaps it would be helpful if I clarified the situation for my hon. Friend. The consultation published on Monday includes proposals for England to provide smoke-free environments through the proposed health improvement and protection Bill. The Welsh Assembly would be given powers to deliver measures that reflect the wishes of the people of Wales. The Assembly Government are currently considering their detailed response to a report published last month by the Assembly's all-party Committee on Smoking in Public Places. Once detailed proposals have been agreed, a further round of consultation will take place in Wales. The power clearly lies with the Welsh Assembly, not with any other ministerial Department.

Hywel Williams (Caernarfon) (PC): There is agreement across the House and in another place, as well as among a wide range of health bodies in Wales, voluntary organisations and the National Assembly, that a ban is required. Given that fact, and given the health statistics on heart disease and lung cancer, how can the Minister justify a delay of at least three or four years in implementing a ban in Wales? Yet again, we are last in the queue.

Nick Ainger: I am surprised at that question. The consultation will be completed by 6 September and the Government will introduce the health improvement and protection Bill shortly after. Hopefully, legislation for Wales will be delivered by the Assembly to implement bans from the end of 2006, and in 2007 and 2008. Industry, particularly the hospitality industry, needs considerable time to carry out such measures, so I am surprised by the hon. Gentleman's question.

Julie Morgan (Cardiff, North) (Lab): Does my hon. Friend agree that most smokers want to give up and would welcome a ban on smoking in workplaces and enclosed public places, as it would help them to do so? Does he further agree that that is the experience in Ireland, where there has been a drop in the number of smokers.

Nick Ainger: Yes, I agree. I congratulate my hon. Friend on her work in bringing this issue to the attention of the House through her private Member's Bill. The evidence in Ireland is very positive, and we should not forget the reason why the Government want to introduce smoking bans in public places. This year, the *British Medical Journal* produced evidence showing that 30 people a day die from second-hand smoke. The NHS

is currently spending £1.7 billion every year on smoking-related diseases, which lead to more than 100,000 deaths a year. Something has to be done, and the Government intend to take action.

Business Incentives

4. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What assessments he has made of the effects on businesses in border areas of Wales of the provision of more advantageous incentives to businesses in Wales. [5062]

The Secretary of State for Wales (Mr. Peter Hain): Businesses on both sides of the England/Wales border continue to prosper from the stable economic climate created by this Government. Support for business in England is excellent, as it is in Wales.

Daniel Kawczynski: In Shrewsbury and Atcham quite a few businesses are shutting up and moving across the border to take advantage of the better grants from the Welsh Development Agency. That is leading to significant concerns for me about unemployment in Shrewsbury. In Europe we are trying to get a level playing field for business, but we do not seem to have that in England and Wales. Can the Secretary of State give me an assurance that he will get the Government to create a more level playing field for business in England and Wales?

Mr. Hain: Unemployment in the hon. Gentleman's constituency has fallen by half under the Labour Government, and more jobs are being created all the time. Indeed, there are now 300 new businesses starting up each week in the west midlands, compared with 1,000 businesses that were closing each week under the Conservatives when they were in power. Wales is an attractive climate in which to invest. It has a high skills base, an attractive environment, and its economy is booming under the Government—but all investors, whether they are transferring from England or coming in from outside the UK, have to abide by the same rules for grants and selective regional assistance. The European state aid rules apply equally in Wales and England, so there can be no discriminatory favouritism in Wales compared with England, because we abide by the same rules.

Ian Lucas (Wrexham) (Lab): Does my right hon. Friend agree that it is a fiction to suggest that businesses move to Wales because of assistance? Wrexham does not have regional selective assistance, objective 1 status or objective 2 status, but it has an excellent co-operative work force and a background of economic stability. That is why there is 1.9 per cent. unemployment in my constituency.

Mr. Hain: Yes, and Wrexham has an excellent MP who works hard on his constituents' behalf. My hon. Friend makes the very good point that even areas like Wrexham, which do not attract, for example, objective 1 funding, as west Wales and the valleys do, still attract a lot of inward investment because they are great places to locate for the reasons that he explained. Whereas Wales was failing under the Conservatives, it is now going from success to success under the Labour Government, right across the country—north, south, east and west.

Lembit Öpik (Montgomeryshire) (LD): Nevertheless, does the Secretary of State welcome the apparent recognition by the English Conservatives of the benefits of devolution and European investment in Welsh agriculture and industry? Does he recognise that those achievements are threatened by the current impasse in European negotiations, and will he give an assurance to the House that economic support for these vital Welsh sectors will not be damaged by delays in, or the outcome of, European negotiations on funding?

Mr. Hain: The hon. Gentleman makes an important point and I am happy to respond to it. There has been some mischief-making by Opposition politicians, especially in *The Western Mail* recently, suggesting that Wales's objective 1 funding is at risk because of activity by the Government. The truth is that the impasse in the European Council is nothing to do with structural funds; it is due to the stance taken by the President of France, in particular, over the British rebate. We intend to resolve the matter and to get the best possible deal for Wales. We will resolve it as early as we can in order to achieve that deal right across Wales, particularly in respect of objective 1 funding for west Wales and the valleys.

Knife Attacks

5. **Mr. Martyn Jones** (Clwyd, South) (Lab): If he will make a statement on measures being taken to eradicate knife attacks in (a) north Wales and (b) the rest of Wales. [5064]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): Earlier this month, my right hon. Friend the Home Secretary announced a comprehensive package of measures to combat violent crime. The Violent Crime Reduction Bill will ensure that the police and local communities across the country have the necessary powers to reduce violent crime, including crime involving knives.

Mr. Jones: My hon. Friend knows that a number of serious knife attacks have recently occurred in north Wales. Does he agree that the measures relating to knives in the Violent Crime Reduction Bill will help to improve the situation?

Nick Ainger: Yes, I do. The new powers included in the Bill, which applies to both England and Wales, will make it an offence to use other people to hide or carry guns or knives, increase the age limit for purchasing a knife from 16 to 18 and introduce powers for head teachers and other members of school staff to search pupils for knives. The issue must be dealt with, and I am aware of the three incidents in north Wales in which young men were killed in knife attacks. We must work with the police, the community and schools to ensure that young people do not carry knives.

Mark Williams (Ceredigion) (LD): To counter the growing knife culture, we obviously need to work in

schools. Does the Minister accept that making teachers responsible for checking for knives would put them at undue risk and, more fundamentally, harm their relationship with pupils? Does he agree with my union, the National Association of Schoolmasters Union of Women Teachers, that teachers should commission the police to undertake searches rather than doing it themselves?

Nick Ainger: I am sure that the hon. Gentleman agrees that head teachers and staff should have the power to intervene to search pupils, where it is necessary to do so. The Government and the Association of Chief Police Officers will support head teachers if they judge that it is best to call the police. We want to give head teachers the maximum support and options to keep good order and protect everyone in their schools, and we will discuss those proposals with representatives of all school staff.

David T.C. Davies (Monmouth) (Con): Does the Minister agree that the best way to reduce violent crime is to ensure that police officers are out on the streets on patrol, not stuck behind their desks filling in forms invented by the Government?

Nick Ainger: I am sure that the hon. Gentleman knows that we have put an extra 172 police officers on the beat in his police force area since 1997, and we have also recruited 300 community support officers throughout Wales. If his party had won the general election, we would have seen a £35 billion cut, much of which would have come from the Home Office budget.

Bill Wiggin (Leominster) (Con): Cardiff Crown court recently jailed a man for life for threatening to kill his girlfriend and stabbing another man in the stomach. He had five previous convictions, including a prison sentence for beating his girlfriend so badly that she spent three days in intensive care with seven fractures to her skull. That man will serve a maximum of six and a half years in prison. Does the Minister agree that the best way to reduce such attacks is to end early release and make sure that dangerous criminals stay where they belong—in prison?

Nick Ainger: I cannot comment on the individual case mentioned by the hon. Gentleman. The Government have made it clear that stiff sentences for violent crime and murder are acting as a real deterrent. The hon. Gentleman knows that the Government have introduced a series of Bills to address violent crime, and I hope that the Conservative party will support us.

Prescriptions

6. **Dr. Julian Lewis** (New Forest, East) (Con): Whether he has met the National Assembly for Wales Minister for Health to discuss the cross-border implications of the Assembly's plans for the provision of prescriptions in Wales. [5065]

The Secretary of State for Wales (Mr. Peter Hain): I have regular meetings with the First Minister on a range of issues, including health.

Dr. Lewis: I thank the Secretary of State for that uninformative reply. When he had his last such meeting, did he raise the question of prescription tourism, which already costs the Welsh Assembly £3 million a year? Did he raise the £37 million cost to the Assembly of implementing free prescriptions in Wales? Did he raise the question of the 100,000 people who waited more than four hours for A and E treatment and the 284,000 people who are on waiting lists? Does he think that those are proper uses for limited NHS resources?

Mr. Hain: That was an impressive recitation of dodgy statistics that simply do not apply in Wales. The fact is that waiting times are coming down and more patients are being seen and treated. In respect of prescriptions, yes, it is the case that there is a cross-border flow between Wales and England; it is roughly equal in terms of English patients being served by Welsh GPs and Welsh patients being served by English GPs. However, it is true that Welsh patients who go to see English GPs do not get free prescriptions and the Assembly is considering that.

Jenny Willott (Cardiff, Central) (LD): Does the Minister accept that while cross-border differences in prescription charges are a big positive benefit for Wales, other variations are a big negative—for example, the massive increase in ambulance response times, with some areas achieving only 40 per cent. of their target emergency call-out times? Will the Minister commit to discussing those differences with the Welsh Assembly Health Minister at the earliest opportunity?

Mr. Hain: Obviously, we want a first-class ambulance service as we develop a first-class health service, and I shall certainly bear in mind the points that that hon. Lady makes. However, I am sure that she would want to welcome the 450 more consultants and the 7,300 extra nurses in Wales under Labour, compared with cut after cut under the Conservatives.

National Assembly Powers

7. **Sir Nicholas Winterton** (Macclesfield) (Con): If he will take steps to increase the scope of the powers of the National Assembly for Wales. [5066]

The Secretary of State for Wales (Mr. Peter Hain): The Government's proposals are contained in the White Paper, "Better Governance for Wales", which I published on 15 June.

Sir Nicholas Winterton: Having served with the right hon. Gentleman on the Modernisation Committee, I know that he believes very fervently in democracy, but does he agree that there is considerable frustration in Wales about the Assembly's lack of legislative authority and powers? Will he have another full referendum in Wales to see whether people want more legislative powers and more devolution, or would like to scrap devolution altogether?

Mr. Hain: The hon. Gentleman speaks with the same voice as the shadow Secretary of State, who wants, as the hon. Gentleman appears to want, to abolish the National Assembly for Wales and to go back to the kind

of rule that we had under the Conservatives when they trampled all over Wales—and as result, every Tory MP was cleaned out of Wales in the 1997 election. Having said that, the hon. Gentleman was a very good member of the Modernisation Committee and I pay tribute to him for that. *[Interruption.]*

Mr. Speaker: Order. There is far too much noise in the House.

Adam Price (Carmarthen, East and Dinefwr) (PC): Yesterday, Andrew Davies, the Economic Development and Transport Minister in the Assembly, said that he was extremely concerned about the poor performance of the Welsh Development Agency's inward investment division. Will the Secretary of State therefore consider giving the National Assembly the power to vary corporation taxes so that we could have the kind of tax breaks that have been so successful in Ireland? I understand that the hon. Member for Normanton (Ed Balls) is keen, so he might have some luck with the Chancellor.

Mr. Hain: The answer is no, because, just like Plaid Cymru's proposals for varying income tax for Wales, it would raise an immediate question mark as to whether the extra spending per head in Wales provided by the Treasury was still justified. This is the kind of gobbledegook economics that is typical of Plaid Cymru.

Countryside and Rights of Way Act

8. **Mr. Martin Caton** (Gower) (Lab): What discussions he has had with the Department for Environment, Food and Rural Affairs on the application of the Countryside and Rights of Way Act 2000 to Wales. [5067]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): That is a matter for the National Assembly. The right-to-roam provisions came into effect in Wales on 28 May. As a result, almost a quarter of the Welsh countryside is now open to the public. I will meet Carwyn Jones shortly to discuss that and other matters.

Mr. Caton: Does my hon. Friend agree that the CROW Act has been one of the major achievements of a Labour Government, not only in extending access to the countryside but in other countryside provisions, especially in relation to areas of outstanding natural beauty? My hon. Friend knows that Gower was the first designated area of outstanding natural beauty in the country. May I invite him to visit Gower next year to celebrate the 50th anniversary of that designation and the success of the Act?

Nick Ainger: I am more than happy to visit my hon. Friend's beautiful constituency and I am grateful for his support for the implementation of the CROW Act. It has given an increasing advantage to the rural parts of Wales. According to the Wales Tourist Board, walkers contribute £550 million annually to the Welsh economy and that should increase with the new access regime. My hon. Friend may also be pleased to know that the Welsh Assembly is in discussion with the Countryside Council for Wales to examine actively options for extending open access to coastal areas, which would include his constituency, under the Act.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [6079] **Dr. Tony Wright** (Cannock Chase) (Lab): If he will list his official engagements for Wednesday 22 June.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Dr. Wright: Does the Prime Minister recall that, last year, we had a celebration to mark the centenary of the entente cordiale? Last week, the President of France said that my right hon. Friend was "pathetic" and "tragic" and demanded a gesture of solidarity from him, Will my right hon. Friend explain to President Chirac that what is pathetic and tragic is the fact that 3 billion people live on less than $2 a day while each European cow gets $2.5 a day in subsidy? Will he tell the President that the only gesture of solidarity worth making is one that does something about that?

The Prime Minister: I thank my hon. Friend for the question—although I think he was actually referring to the discussion. However, I believe it is important that we make it clear that reform of the common agricultural policy is in the interests not only of Europe, but, as my hon. Friend rightly says, of the poorest parts of the world, which need to be able to get rid of export subsidies for agriculture in the wealthy parts of the world for their economies to flourish. Change in the CAP is therefore not only important, relevant and right for the European Union, but an essential part of getting a fair deal for the poorest countries in the world.

Mr. Michael Howard (Folkestone and Hythe) (Con): Today, the chief executive of the Citizens Advice service said that the tax credit system

"is failing the very families most in need of extra money, causing hardship the system is designed to prevent, and making it more difficult for people to save or to hold down a job".

Does the Prime Minister agree with that?

The Prime Minister: It is also important to point out that

"The CAB service strongly welcomes the government's commitments to make work pay, abolish child poverty and to increase the proportion of lone parents in employment. We recognise the financial gains available from tax credits."

It is true that the report goes on, like the ombudsman, to make criticisms of the system. We are trying to address them, but let me point out that, although we acknowledge the force of the criticisms, 6 million families and 10 million children benefit from the tax credits. It is important to get a sense of balance when we discuss them.

Mr. Howard: It is indeed important to get a sense of balance but the Prime Minister is in danger of sounding extremely complacent. The Citizens Advice service report states that the tax credit system

"is backfiring for large numbers of families"

and has

"plunged many below the breadline and into mounting debt";

that

"some families have been left in severe hardship";

that some

"have been threatened with repossession or eviction";

and that for others,

"CAB advisers have had to arrange Salvation Army food parcels"

because families were left without enough money to eat. Does that sound to the Prime Minister like a system that is "performing very well"?

The Prime Minister: As I said a moment ago, we accept entirely the problems that the Citizens Advice service report and the ombudsman's report identified, and it is important that we address them. Indeed, some were addressed by the statement that my right hon. Friend the Paymaster General made on 26 May. We apologise for the hardship and distress that have been caused to some families and we are taking action to change the circumstances in which they find themselves. All I say to the right hon. and learned Gentleman is that we must also recognise that millions of families have benefited from tax credits, to the tune of thousands of pounds a year. Those families were often forgotten under the old system. They did not qualify for family credit and were left to languish on the dole for long periods of time. It is important to realise when we discuss the system that both the Citizens Advice service and the ombudsman say that the principles of the system are right and should be maintained.

Mr. Howard: Figures this month show that 700,000 awards were underpaid in 2003–04, that 1.9 million were overpaid, and that the amount of overpayment was almost £2 billion. I ask the Prime Minister whether we are dealing with a system that is "performing very well"? He will know that that is what the Paymaster General told the House in February. The ombudsman says that the Paymaster General's reassurances

"did not give a complete picture of what has been happening, and the devastating effects the IT problems have had on some individuals' lives, in terms of stress, financial hardship and living with continuous uncertainty regarding their awards."

Has the Prime Minister asked the Paymaster General for an explanation of the answers she gave the House in February?

The Prime Minister: As the right hon. and learned Gentleman has quoted the ombudsman, let me also quote what she says, right at the beginning of her report. I hope that he will also accept this:

"This report does not suggest that the new tax credit system is in general disarray; on the contrary it recognises that, given the scale of the undertaking, its introduction has been broadly successful."

It is fair to put that on the other side of the ledger. The problems of overpayment to which the right hon. and learned Gentleman is drawing our attention are, of course, right. There is one difficulty, though. With any such system, when people change jobs, as some 3 million people do every year, and when about 300,000 families who are eligible for tax credits undergo substantial financial changes, there has to be some way of compensating for that and ensuring that people are neither underpaid nor overpaid.

I accept—as did my right hon. Friend the Paymaster General in her statement on 26 May—that there are serious issues to be addressed, and we are addressing them by, for example, ensuring that people have far better information for the claimants, identifying the families that might be most at risk in respect of changes in their circumstances, and making improvements to the information technology system. All of this has to be done, and we are doing it. What would be wrong, however, would be to suggest that, overall, tax credits have not helped millions of people, because they have.

Mr. Howard: And that was something that I never suggested. The answer given by the Paymaster General to the House has been criticised in the most direct terms by the ombudsman. I asked the Prime Minister whether he had sought an explanation from the Paymaster General for her answer, and it is perfectly clear that he has not. The ombudsman makes 12 specific recommendations in her report, and she also raises some fundamental questions about the whole system that she says need to be addressed. Will the Prime Minister now accept all those recommendations and address those fundamental questions? Will he also give an undertaking that the 800,000 families who currently receive their tax credit through Jobcentre Plus will not be moved on to the Inland Revenue system this year, as is currently planned?

The Prime Minister: My right hon. Friend the Paymaster General is going to make a statement after Prime Minister's questions today, and she will deal with some of the issues that the right hon. and learned Gentleman has raised. In respect of the ombudsman's recommendations, we will obviously study them very carefully because there has to be a balance between the interests of the families receiving the tax credit and those of the taxpayer as a whole. Despite the way in which the right hon. and learned Gentleman has put these questions, however, I think that we are in agreement. The tax credit system is the right system, and as a whole, it is benefiting millions of families, but it is correct to say that, at the moment, it is failing some families. That is unacceptable and we will take the necessary measures to remedy the situation.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): The Government have rightly received praise for their very considerable increase in housing budgets, especially when compared with the Tory starvation years. The Prime Minister will know, however, that 300,000 families are currently registered as applicants for council housing. Does he agree that it would be sensible to encourage local authorities to build new houses rather than simply arranging stock transfers and arm's-length management organisations, which do not in themselves create a single tenancy or put a lick of paint on a single windowsill?

The Prime Minister: As my hon. Friend knows, the budget for social housing has been increased

substantially, and has been increased again by 50 per cent. I disagree with only one thing that he said. I do not think that this can be done only through traditional local authority provision; I think a mix of provision is necessary. I think that many housing associations and other non-governmental bodies also do a superb job in providing homes for people.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Given that the Prime Minister's current majority of 67 is based on 35 per cent. of the popular vote, and given that the Government are set to force through further authoritarian measures such as compulsory identity cards, the ending of trial by jury and a restriction of people's right to protest, must the Prime Minister not face the fact that here in Britain we are close to experiencing a tyranny of the minority? Does he think that the composition of the House of Commons accurately reflects what the British public voted for on 5 May?

The Prime Minister: Does the right hon. Gentleman not think that just a trifle exaggerated, in all honesty? Let me take the point about trial by jury in complicated fraud cases. The reason for what we are doing is perfectly simple. We are spending literally millions and millions of pounds on a very small number of cases in which the issues are often hugely complex. It has been suggested by independent report after independent report that we need to change the system, so we are doing that. Linking that with proportional representation, which I assume the right hon. Gentleman is trying to do, is slightly difficult, if I may respectfully say so.

All electoral systems have their flaws, but if we had a system of proportional representation in which, for example, the Liberal Democrats held the balance of power, might that not be something of a tyranny of the minority?

Mr. Kennedy: May I come back to the Prime Minister, and indeed to the excellent first question that he was asked? Now that one referendum appears to be off the agenda, may I make a constructive suggestion for another? The Labour party manifesto on which the Prime Minister has just stood and been re-elected says that there will be a further review of the voting systems in this country. Will that be yet another pointless exercise, or can the Prime Minister give the British public a guarantee here and now that during this Parliament they will have the democratic right, through a referendum, to vote for a system of proportional representation?

The Prime Minister: I can absolutely assure the right hon. Gentleman that it will not be a pointless exercise. What I cannot assure him of, I am afraid, is that it will result in a referendum on proportional representation.

I can only say to the Lib Dems that what with all that is going on in the world today, this seems to be a pretty odd set of questions.

Colin Challen (Morley and Rothwell) (Lab): I congratulate my right hon. Friend on his continuing efforts to achieve an international consensus on tackling climate change. Does he agree that we all face both a personal and a political challenge? Would he consider joining me and other Members who have made a commitment to reduce our personal carbon emissions by 25 per cent. over the next five years?

The Prime Minister: There is an answer to that somewhere here, but I cannot quite find it. I shall have to get back to my hon. Friend with the precise implications, but I think that in respect of Downing street there are already measures designed to reduce emissions—at least of the CO_2 kind.

Q2. [6080] **Mr. Peter Bone** (Wellingborough) (Con): A year ago, a 17-year-old student who lived in my constituency, Alexine Melnik, was killed by a careless driver. The careless driver was fined £500. Does the Prime Minister agree that there should be a new offence of causing death by careless driving? When will legislation to that effect be presented to the House?

The Prime Minister: I am sure that the hon. Gentleman would want to pay tribute to the work of his predecessor, Paul Stinchcombe, on that issue. He is absolutely right that it is important to ensure that we toughen the law in respect of death by careless driving. Our consultation exercise ended on 6 May. We are currently analysing the responses received. We will publish our response shortly but, as a result of the campaign that was launched by the hon. Gentleman's predecessor, we made certain commitments before the election, which we will honour. It is high time we realised that, as a result of toughening up the law, around 10,000 fewer people are now killed or injured each year on our roads than 10 years ago. We need to ensure that the law is commensurate with the degree of public concern.

Kali Mountford (Colne Valley) (Lab): The National Institute for Health and Clinical Excellence is looking at the appropriate use of statins. Given that in my constituency more than 6 per cent. of men die prematurely of heart disease, is it not right to ensure that appropriate prescribing of this drug, alongside the good exercise and diet plans that GPs currently give patients, is included as part of the programme?

The Prime Minister: My hon. Friend is absolutely right. The importance of statins has been recognised by the fact that we have increased spending to about £700 million a year. A report has just been published by the National Institute for Health and Clinical Excellence showing why it is important that we broaden the use of statins, so I can assure her that the commitment and the investment are there from the Government, and we are working closely with GPs to make sure that that is used properly. The increase in the use of statins is one reason why deaths from cardiac disease have fallen by about 20 per cent.

Q3. [6081] **Miss Anne McIntosh** (Vale of York) (Con): Will the Prime Minister join me in extending our sympathy to those who suffered in the devastating

floods in North Yorkshire, particularly in Thirsk, Sutton-under-Whitestonecliffe and Helmsley in the constituency of my hon. Friend the Member for Ryedale (Mr. Greenway)? Will the Prime Minister praise the emergency services for their swift response in ensuring that there was no loss of life, but regret the loss of livestock, crops and personal possessions? Will he please dig deep into the coffers of the Government to provide the millions of pounds needed for road repairs, bridge repairs, the clean-up operation and, more especially, the flood alleviation scheme in Thirsk, which might have prevented the damage to Thirsk on this occasion? Will he help North Yorkshire—

Mr. Speaker: Order. I call the Prime Minister.

The Prime Minister: I certainly join the hon. Lady in sympathising with all those who have lost possessions or livestock, or had their homes damaged as a result of the floods on Sunday. I understand that in this case one month's rain fell in two to three hours. In respect of the flood defences, we are investing about £500 million each year in flood and coastal erosion management. That is obviously a huge increase on before. I am sure that the hon. Lady will be able to meet the relevant Ministers to discuss further the things that could be done but, if we look back over the past few years, investment in flood defences has seen a remarkable uplift. I am afraid it is a feature of our current situation that, as a result of changes in our climate, we have to take these measures.

Q4. [6082] **Mrs. Madeleine Moon** (Bridgend) (Lab): The pupils of Tondu primary school, like many of our school children, dream of seeing an end to world poverty, climate change and trade injustice. Does my right hon. Friend agree that the members of the G8 summit have a unique opportunity to turn those children's dreams into reality, and that to fail would be to fail the children of many generations?

The Prime Minister: I am delighted to say that the J8 programme has elicited an enthusiastic response across the country. It has been developed by the Department for Education and Skills alongside Morgan Stanley. The fact that so many young people have been closely involved in making the case for action on climate change, third world debt and aid is an example of the idealism of our young people. The fact that so many schools have engaged in those projects is wonderful. Let us hope that the result of Gleneagles matches their aspirations.

Mr. Michael Howard (Folkestone and Hythe) (Con): I am sure that we all agree with the sentiments that have just been expressed by the hon. Member for Bridgend (Mrs. Moon), and, indeed, with Prime Minister's reply. Today, the Secretary of State for Environment, Food and Rural Affairs said that Britain is being transformed from

"an environmental laggard to an environmental leader".

But yesterday, the European Environment Agency said that we were the worst in Europe for increases in carbon emissions from electricity and heat production. Without wishing to cause another row with Europe, can the Prime Minister reconcile those two statements?

The Prime Minister: First, we will of course meet our Kyoto targets for reduction in greenhouse gases—a 12.5 per cent. reduction—which is important. It is correct that there have been increases in CO_2 emissions, partly as a result of the strength of the economy, but overall, climate change emissions have fallen by 5 per cent. This country will be one of the few countries to actually meet their Kyoto targets.

Mr. Howard: In 1997, the Prime Minister promised to cut carbon emissions by 20 per cent. Since then, carbon emissions have risen. Last week, the Minister concerned announced a delay in the UK climate change review programme. Is it not the case that Britain is becoming the dirty man of Europe, and that the Prime Minister's moral authority to persuade others to tackle climate change is being fatally compromised?

The Prime Minister: That is a ludicrous thing to say, and no, I do not accept that at all. As I said, we will meet our Kyoto targets. We have established the target of 10 per cent. renewable energy by 2010, and incidentally, we have also introduced the climate change levy, which is saving us literally millions of tonnes a year—opposed by the Conservatives. I do not know what specific measures the right hon. and learned Gentleman has. We are investing far more in energy efficiency than his Government ever invested, and we are investing more in helping pensioners and others to make their homes more energy-efficient. If he has some specific measures to propose, let us hear them, but actually, most of the measures that we have taken to reduce emissions he has opposed.

Q5. [6083] **Mr. Andrew Dismore** (Hendon) (Lab): My right hon. Friend will know that this is refugee week, which began in my constituency last Sunday with our local festival. Does he agree that refugee week provides an excellent opportunity to dispel the myths and disinformation that some circulate about refugees and asylum seekers, and to celebrate the enormous contribution that refugees have made over the years—indeed, over the centuries—to British life, public and private, and economically, socially and culturally?

The Prime Minister: My hon. Friend is right in saying that we should always acknowledge the tremendous contribution made by migrants to this country over the years. It is important to recognise that, as is demonstrated by many in this House, many of us have ancestors who migrated from abroad. We recognise the strong contribution that migration makes, but it is also important to recognise that we have to take action to deal with asylum applications, which are now down by more than half, and to introduce the controls on immigration that we have indicated. This will allow us to continue to have people migrating to our country whom we need for our economy, while making sure that proper and robust rules are in place. That is the right balance for today's world.

Q6. [6084] **Mr. David Amess** (Southend, West) (Con): On 11 July in Leigh-on-Sea, which is in my constituency, the Guinness Book of Records will attend an event that I have organised. A world record attempt will be made to gather together the most people aged 100 and over

living in a town, which will be celebrated with a tea party. Will the Prime Minister wish the participants well, and if a record is achieved, will this rotten Government take the credit for people living so long in Leigh-on-Sea?

The Prime Minister: I think that we should give them the credit for having lived so long. I was going to read out the statistics on how much we have helped pensioners, and so on, but instead let me point out that we should all send hearty congratulations to everybody who has made it to 100. Let us hope that we join them in the years to come.

Kate Hoey (Vauxhall) (Lab): The Prime Minister will be aware that up to a million people—the poorest in Africa—have been made homeless in the last couple of weeks by the thuggish and brutal behaviour of Mugabe. What will my right hon. Friend and the G8 leaders do to put pressure on Mbeki, who has so far refused even to condemn what has happened? Does he agree that we cannot make poverty history in Africa until we make dictators such as Mugabe history?

The Prime Minister: I totally agree with my hon. Friend about the nature of Mugabe's regime. We and others are always making it clear that those in the region have to take the necessary action to deal with the situation in Zimbabwe. I do not agree with my hon. Friend, however, when she says that unless and until we deal with Mugabe, we cannot deal with the problem of poverty in Africa. We should do both. There is a strong case for saying that African leadership needs better governance, better protection from corruption, better conflict resolution. I abhor the Mugabe regime every bit as much as my hon. Friend does, but I do not believe that we should allow it to get in the way of our helping those countries, particularly those that have made great forward strides in respect of democracy and better governance, whose children and adults still live in appalling poverty.

Q7. [6085] **Mr. Brooks Newmark** (Braintree) (Con): In 1993, the Chancellor declared:

"I want . . . the end of the means test for our elderly people".

My constituent Mrs. Phyllis Webb and the Braintree pensioners action group would like to know whether the Prime Minister feels bound by that commitment.

The Prime Minister: I feel very proud of the fact that the Government have helped pensioners so much over the years—*[Interruption.]* Oh, yes, we have. Millions of pensioners have benefited from the pension credit, the winter fuel allowance, free TV licences for over-75s and help with free bus passes. Let me tell the hon. Gentleman that we are happy to compare our record in 2005 and the help that we have given to pensioners with the help that they were getting in 1993. The hon. Gentleman should go back and tell pensioners in Braintree that, even though they elected a Conservative MP, they should be very glad that they still have a Labour Government.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I praise my right hon. Friend for attending the parliamentary links day organised by the Royal Society of Chemistry and for his great support for science and engineering, but does he agree that, in delivering the G8 agenda on Africa and climate change, he will need strong support from the scientific and engineering community?

The Prime Minister: I totally agree. I was delighted to attend the parliamentary links day and to see that it was a thriving all-party occasion. Science will be particularly important in dealing with the killer diseases in Africa, and the science and technology behind dealing with climate change is also crucial. That is why it is so important that science forms a strong part of what we do in the G8.

Q8. [6086] **Jeremy Wright** (Rugby and Kenilworth) (Con): Does the Prime Minister accept that busy village halls are often at the heart of thriving rural communities such as those that I represent in Rugby and Kenilworth? However, the huge increases proposed in the Licensing Act 2003—increases in paperwork and in the cost of entertainment licences, rising from £30 to more than £900—will put vital resources at risk. Will the Prime Minister do something about that?

The Prime Minister: I do understand the hon. Gentleman's concerns. We tried to introduce a licensing regime that puts more power in the hands of local people. I understand the problems of village halls—I have heard about them myself—and we will look further into them to see if anything can be done. Obviously, in the end, we need a licensing regime that pays its way.

Q9. [6087] **Mr. John Grogan** (Selby) (Lab): Given the importance of manifesto promises, will the Prime Minister confirm that our manifesto commitment to a publicly owned Royal Mail fully restored to health means that 100 per cent. of the shares will continue to be owned by Her Majesty's Government?

The Prime Minister: I can confirm to my hon. Friend absolutely that our manifesto sets out our policy. We have given the Royal Mail greater commercial freedom and have no plans whatever to privatise it.

Mr. Roger Gale (North Thanet) (Con): On Monday, the adjudicator, Dame Barbara Mills, published her annual report, which revealed that 50 per cent. of the complaints that she considered were related to tax credits and that of those, 86 per cent. were found in favour of the complainant. Faced with that and two other damning reports, the House might reasonably expect the responsible Minister to have resigned by now. Given that that has not happened, will the First Lord of the Treasury now give an undertaking that those who have faced demands for repayment of money will be given an amnesty in each and every case where the Treasury is responsible?

The Prime Minister: In fact, my right hon. Friend the Paymaster General has said already that we will not seek to get the money back if the error is on the part of the Inland Revenue. In the interests of the general taxpayer,

however, we obviously cannot say that overpayments resulting from a claimant's change of circumstances should stand. A moment or two ago, I said that criticisms were made in both the CAB report and the ombudsman's report. We have taken those criticisms on board and are acting on them.

Q10. [6088] **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): The modern apprenticeship scheme is to be welcomed, even though it happened to be opposed by the Opposition. Traditionally, youngsters leaving school have taken on apprenticeships. Many years ago, I was an apprentice and I remember the time when 100 apprentices were taken on every year at the shipyard. What is my right hon. Friend going to do about bringing back apprenticeships for plumbers, joiners, fitters and all the traditional trades? That would make the current crisis in those areas much more manageable.

The Prime Minister: My hon. Friend raises a point that is important for the economy, and that is why the Learning and Skills Council has almost doubled spending on apprenticeships. By the end of this year we will have almost 300,000 apprenticeships, which is fantastic for our young people. The other thing that we have to do in our school reforms is to start making sure that a proper vocational route is available for young people at the age of 14. That will allow them to gain work experience with employers at an early age. We have concentrated on bringing back apprenticeships in the past few years. There is more to do, but the numbers coming through show that the system is working.

Tax Credits

12.31 pm

The Paymaster General (Dawn Primarolo): With permission, Mr. Speaker, I want to make a statement on the reforms that we have made, and are making, in the operation of the tax credits system, and to answer point by point the reports from the parliamentary ombudsman and the Citizen's Advice Bureau that were published today, and the adjudicator's report that was published earlier in the week. Those reports deal mainly with the operation of the system in its first year of introduction.

On 26 May, I announced to this House a series of measures to build upon the reforms that we have already made to the tax credits system. Those include measures to streamline procedures for recipients to inform Her Majesty's Revenue and Customs of the changes in their income during the course of the year, and to simplify the information provided to families in award notices. I also announced a review so that we could make changes in the procedures for dealing with disputed awards.

The Department is improving the helpline so that families receiving tax credits can have all their queries dealt with in one go and all their changes processed with one call to the helpline. Where there is a dispute, I have asked HMRC to consider suspending recovery of excess payments until the dispute is resolved. Where there is hardship, I have asked it to ensure that the additional payments in the system are made.

In other words, I have already taken measures to act on each of the major administrative issues raised by the parliamentary ombudsman and the CAB. Two weeks ago, during a debate in the House on these issues, I offered—and have subsequently agreed—to meet a group of MPs to discuss these issues in detail. Today, I will be writing to the ombudsman and the CAB about the changes that we have already made. I will be offering to meet them to discuss the detail of the reforms now being introduced.

I come to the issues of policy. As the CAB report states, tax credits are the best way to deal with society's responsibility to help with the costs of bringing up children and tackling child poverty. The background both to the introduction of tax credits and to the reports out today is that more people than ever before are receiving tax credits to help with the costs of bringing up their children. In total, more than 6 million families—about 20 million people, including 10 million children—benefit from tax credits. Four in 10 families pay no net tax as a result of tax credits, and the take-up in the first year exceeds 80 per cent.—so in each of our constituencies, nearly 10,000 families, on average, are benefiting.

As a result of an economy where people move between jobs more often and their circumstances change more quickly, the challenge is to adjust child tax credits to changing income patterns as quickly as possible. In fact, 3 million people now change jobs every year, and their income changes are often substantial. Some 700,000 children are born every year and receive different rates of child tax credit, according to their families' circumstances.

The fast-changing nature of the economy is such that around 300,000 people who receive tax credits experience very large changes in their family income—£10,000, or more, during a year. In introducing the child tax credit, the big change that we made was to move from a fixed payment based on past income, not on actual income, which was recognised as unresponsive to families' changing circumstances and therefore unfair.

When the new system was introduced, we decided that, during the year, we would be prepared to adjust tax credits to changes in family circumstances. So the issue for the Government and, indeed, for all parties that want to comment on these issues in the House and beyond is whether we return to a fixed system, which is clearly unfair and does not adjust for changes in family income during the year; whether we operate a system whereby we compensate people when their income falls, but do not adjust credits downwards when their income rises, even when it rises substantially by £10,000 a year or more; or whether we retain the principle of getting the balance right between taxpayers and individual family circumstances.

I have always been happy to listen to and to take note of the views of all parties on these issues, but I have to tell the House that, when we consulted widely before the implementation of the tax credit, the overwhelming consensus was that a balance should be struck between the needs of the taxpayer and those of the families who claim and that the system should adjust to any drop in income and therefore compensate the claimant in full and only respond to increases in family income during the year, when the family income increases by £2,500 or more a year. I also have to tell the House that, when these issues were voted on in the House, there was a clear majority in favour of these proposals.

Of course, I will continue to keep the House fully updated on recent developments in the tax credit system, as I have endeavoured to do in debates and statements in the past. The ombudsman makes reference in her report to a small part of one sentence of one written answer and suggests that it offers an incomplete picture. I have repeatedly answered questions on this issue. Indeed, in a debate on 26 January, I told the House that there had been problems going back to the introduction of the computer system.

More recently, I issued a statement on 26 May, setting out the situation, the action that has been taken and what more we will do to improve the system. There was an Adjournment debate on 7 June at which I responded to many of the issues raised by hon. Members and, again, outlined the changes. And I will, of course, keep the House updated on the reforms that we are putting in place to improve the system and report back on my discussions with voluntary and community sector organisations.

Mr. George Osborne (Tatton) (Con): The reports today from the parliamentary ombudsman and the CAB paint a devastating picture of the administrative chaos, computer errors and political misjudgments at the heart of the tax credit system. The response of the Paymaster General today—that she made a written statement a month ago and replied to an Adjournment debate in the House—is not enough, as the CAB makes clear in its report today, not least because some of the changes that the right hon. Lady was talking about may

[Mr. George Osborne]

be 18 months away. That is not good enough for a system that is supposed to help low-income families, but in the words of the CAB has

"plunged many below the breadline and into mounting debt".

Does the Paymaster General agree with the CAB about that?

Does the right hon. Lady agree with the ombudsman, who said today that many families

"have to borrow money from family and friends to support their children, using up their life's savings or running up credit card debts in order to pay for child care costs, buy food and get to work"?

[Interruption.]

Mr. Speaker: Order. The hon. Member for Blyth Valley (Mr. Campbell) should not shout across the Chamber. I know that he does that regularly but he should not be doing it just now.

Mr. Osborne: Thank you very much, Mr. Speaker. I was merely quoting from the ombudsman. It would be interesting to know whether the hon. Member for Blyth Valley (Mr. Campbell), who may make a contribution later, agrees with the ombudsman and the CAB.

The Paymaster General expresses regret for the mistakes that have been made, but she said this morning that for a huge majority of families the system is working. But will she confirm that, of the 6 million families receiving tax credits in 2003–04, 1.9 million were overpaid almost £2 billion and that a further 713,000 were underpaid half a billion pounds. That is more than a third of all the families claiming tax credit, so how on earth can she say that the system is working well for a huge majority of families? How can she say that when in her own constituency in Bristol almost half the 9,200 people who claimed tax credit received an incorrect amount and the taxpayer has had to pay out £3.7 million in her constituency alone in overpayments?

I have five specific questions about the future operation of the system. First, the ombudsman says that from the evidence she has seen the Revenue has yet to adopt a model for dealing with low-income families that takes full account both of the complexities of tax credits and of the vulnerabilities of their lives. Does the Paymaster General agree with that key recommendation of the report? Indeed, will she introduce a human face in the system so that judgments about clawing back overpayments are made by an individual, not a computer?

Secondly, will the right hon. Lady accept the recommendations in the report that families should be made aware of what is happening to their credits, told how they can appeal and informed about the hardship payments available to them, not because they go to their local MP or CAB but as a matter of right, as part of the tax credit system?

Thirdly, will the Paymaster General consider writing off all excess and overpayments caused by official error, not just in the past but as part of the system, so that Ministers do not have to come to the House announcing amnesties every year? She should make that part of the system so that low-income families do not suffer due to the Treasury's mistakes.

Fourthly, will the right hon. Lady suspend with immediate effect plans to move a further 800,000 of the lowest income families who currently receive their tax credits from Jobcentre Plus to the Treasury's chaotic systems? My right hon. and learned Friend the Leader of the Opposition specifically asked the Prime Minister about that point; he did not respond, but it is of enormous interest to every MP. Will the Paymaster General respond and make it clear that she will delay the migration of those 800,000 people to the Revenue until the problems are sorted out?

Fifthly, I turn to the Paymaster General's accountability to the House of Commons. On 7 February, she said of the tax credit system:

"The system has been stable and performing very well in terms of availability and speed for well over a year."—[*Official Report*, 7 February 2005; Vol. 430, c. 1245W.]

Yet the ombudsman says that

"the cases I have investigated lead me to the conclusion that such reassurances did not give a complete picture of what has been happening."

Is the right hon. Lady saying that the ombudsman is wrong? She did not say that in her statement but if that is so she should say it in her response to me.

Finally, will the Chancellor, who dreamt up the tax credit system, with all its complexities, respond to what the ombudsman calls

"the fundamental question as to whether, for people on modest incomes . . . such inbuilt instability or uncertainty really works"?

The ombudsman says that needs "very careful consideration" by Parliament and the Government. Is not it time that the Chancellor responded to what the ombudsman said today by setting up a far-reaching independent review of tax credits?

The chaotic system of tax credits is having a devastating impact on the lives of some of Britain's poorest families. Do not they and Britain deserve better?

Dawn Primarolo: The hon. Gentleman needs to be reminded that his party supported the tax credits, including the flexible system and the way in which that is approached. The ombudsman's report says:

"This report does not suggest that the new tax credits system is in general disarray; on the contrary it recognises that, given the scale of the undertaking, its introduction has been broadly successful."

It goes on to say that new challenges need to be met, however. The CAB's summary says:

"We firmly support tax credits as a vehicle for directing substantial extra money towards lower income families".

The issues thus revolve around administration.

I shall address each of the six points that the hon. Gentleman made. First, he asked about adopting a response to claimants of clearly explaining their entitlement and what that is based on and, as it says in the ombudsman's report, working on a case-by-case basis. That was covered by my statement on 26 May and I reiterated the position at the beginning of my comments today. I have accepted that the ombudsman's point was correct and I have already started acting on that.

The hon. Gentleman said that claimants should be made aware of their entitlement when dealing with disputed claims. Again, my statement on 26 May

referred to that and my opening comments today confirmed what I said. I especially made the point about the suspension of disputed claims.

The hon. Gentleman asked about writing off official error. He knows full well that in cases in which either an administrative or information technology error has been made by the Inland Revenue and it would be reasonable to assume that the claimants did not realise that a payment had been made in error, that money has been written off. In my statement on 26 May, I made it clear that we needed to review the procedure and determine not only whether to suspend recovery until a dispute has been resolved, but how we communicate with claimants so that the Department can ensure that they know exactly what their entitlements are.

The hon. Gentleman asked about the transfer of jobseeker's allowance and income support to the system. I have told him that the system is not in disarray, and that is what the ombudsman says. I have told the House repeatedly that we keep the transfer under careful consideration. We plan to start it later this year, but I assure him that if that is not the case for any reason, I will inform him and also the House.

My accountability has been questioned. First, I have answered all questions about the matter, both written and oral. Secondly, I have made statements to the House. Thirdly, I have been involved in debates on the tax credit system in the House. Fourthly, I meet hon. Members and delegations from community and voluntary organisations to discuss exactly these points.

As the hon. Gentleman said, his final question was fundamental. When he talks about the inheritance and the problems that families face, he must acknowledge that the system in place before failed to tackle child poverty, failed to respond to the needs and changing circumstances of families and failed to recognise the changing nature of the labour market. He does not realise that the income change for 300,000 of the people who have received overpayments is in excess of £10,000 per year. Is he seriously suggesting that if an overpayment is not disputed and the claimant is prepared to pay it back, we should not collect it? That is ridiculous.

Mr. David Laws (Yeovil) (LD): Is not the truth that the tax credit system has been in chaos and that Ministers have persistently been in denial about the extent of the problems, and that they still seem to be in denial? What is chaos if it is not 1.9 million people overpaid £2 billion of taxpayers' money that should not have been paid out, if it is not 700,000 underpayments and if it is not two thirds of the overpaid awards going to households that the ombudsman describes as on modest incomes? Is not the Paymaster General more concerned than the impression she gave about the conclusion in the ombudsman's report,

"that the greatest difficulties"—

as a consequence of these problems—

"are suffered by the core group that the tax credit system is aimed at helping, namely families on low incomes"?

Are not those precisely the people who are losing out as a consequence of the endemic overpayments in the system?

Are there not three questions, in particular, on which we need clear answers from the Paymaster General? First, there is the vital issue of overpayments. Will the right hon. Lady clarify the statement that the Prime Minister made earlier in Prime Minister's questions, in which he appeared to give the impression that overpayments as a consequence of official error are to be written off. That was very different from what the right hon. Lady has told us. She knows perfectly well that there are a multiplicity of cases where the Inland Revenue has made the errors. Yet at the end of the day money is still being clawed back from people. What will be done to tackle that problem? How many of the overpayments due to official error will be written off? Can the right hon. Lady give us an absolute guarantee that from now on the system will be one of investigation first and recovery second, and not what we have had, which has been recovery first and then investigation?

On a point of law, can the Paymaster General tell us whether she has received the legal advice that is referred to by the ombudsman in her report as to whether the Inland Revenue has been acting lawfully over the past year in the way in which the recovery policy has been applied? Can she give us a clear answer on that?

On a second point, what is the right hon. Lady doing about the chaos of the computer system that has generated so many of these problems? When will that be resolved?

On a third point, is the right hon. Lady more concerned than the impression that she gave in her statement about the ombudsman's observation that her report raises

"the fundamental question as to whether"—

a financial support system with such "inbuilt instability or uncertainty" can truly meet the needs of people on modest incomes? If it is so obvious that we should have the system that we now have, why did we have fixed awards under the working families tax credit and why were there fixed awards under the family credit system? Should not the right hon. Lady examine that issue seriously?

On a final issue, I feel almost sorry for the Paymaster General. The system was introduced by the Chancellor and he has been very successful in claiming the credit—taking the credit, as it were—for the system of tax credits. He has left the Paymaster General to mop up all of the difficult issues that we have been discussing. Does the right hon. Lady accept that she is ultimately accountable, and that if these problems, which are affecting some of the most vulnerable families, are not resolved over the next few weeks, she ultimately must accept the responsibility that comes with her office?

Dawn Primarolo: I do accept the responsibility, and that is why I am here. I do not need the hon. Gentleman's sympathy for doing my job, although I think that he was offering it rather tongue in cheek. Perhaps I should remind him of his party's policy at the time when tax credits were introduced. I quote from the then Liberal Democrat spokesman:

"we must support giving extra help to lower wage families with children."

[Dawn Primarolo]

The hon. Gentleman said that in the course of the Bill that introduced the tax credit system. He said:

"That is why we need stability"—

when the system is introduced—

"with no major overhauls, no name changes and no complete rewrites. Let us give the system a chance to settle down and give people a chance to get familiar with it. Stepping aside from point scoring". [*Official Report, 7 July 2003*, Vol. 408, c. 836–838]

That was what the previous spokesperson for the Liberal Democrats said on the issue.

The hon. Member for Yeovil (Mr. Laws) asked five questions. The first was on write-off. I explained today and I have explained in previous debates, in written answers and personally to the hon. Gentleman during meetings how the compensation and the write-offs occur. The hon. Gentleman then said that he wanted a system of investigation first and suspension afterwards. He clearly was not listening—again—to what I said today, to what I said on the 26 May and to what I said on the Adjournment debate on 7 June, at which he was present. I asked the Revenue to suspend recovery while the disputes were being investigated.

The hon. Gentleman asked a technical question about legal advice. If he will forgive me, I need to write to him on that. I will also respond in writing to the hon. Member for Tatton (Mr. Osborne).

The hon. Member for Yeovil reiterates the point that the system is in chaos. It is not. The ombudsman says that it is not; she says that there are particular problems, which I acknowledge. They are important problems and they need to be sorted out. That is why, in making my statement on 26 May, in what I have said in the House at Question Time, in what I have said in written answers and in what I said on the Adjournment debate on 7 June, I have acknowledged all of that. I do that both inside and outside the House when I am asked questions on these matters.

There is a fundamental issue, and that is why the hon. Gentleman must make a choice. I know that that is difficult for Liberal Democrats. They are not keen on making choices because it is much better just to attack everything in sight. The choice is between a flat rate unresponsive system that is unfair, that is fixed and that does not help families to meet the changing needs in the economy, or to have flexibility. Those are the two models. What the House has to decide, what the Government have to decide and what the Opposition parties have to come to a conclusion on is which model they prefer and whether they are prepared to tackle child poverty.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that she does not need the otiose commiserations of the Liberal party and that she should, as we do, repudiate entirely the politically motivated attacks from the official Opposition on her integrity? We on the Government Benches wholly endorse the principle of tax credits, which have brought enormous benefits to working families and low income families throughout the country. In the light of my right hon. Friend's statement on 26 May, will she consider again the possibility of a write-off and starting again so that we have a clean slate, but in no circumstances deviate from the principles that have done so much good to say many families?

Dawn Primarolo: I have not been attracted to a complete amnesty. Clearly excess payment has been made. If the claimant accepts that and is prepared to repay the money, there is no dispute. It is a question whether Her Majesty's Revenue and Customs was notified at the time of the change. It seems not to be a good deal for the taxpayer to say, "No thank you. Keep that extra money." That is when the claimant thinks that they should not have had it and we know that they should not have had it. The point that is made in the ombudsman's report and the point that my hon. Friend makes—it is made also by many right hon. and hon. Members on both sides of the House—is that in circumstances where there is a dispute or where hardship would be caused, I have said repeatedly that I want HMRC to suspend recovery while the dispute is settled. I have asked it to adopt that position, and to ensure that those in hardship are paid the additional payments that are already available in the system, and that they are made aware of the fact that those payments are available to them.

Sir George Young (North-West Hampshire) (Con): Does the Paymaster General accept that problems with tax credits have now displaced problems with the Child Support Agency as the single greatest generator of work for many Members? Does she recognise that those who man the MPs' hotline do a good job in difficult circumstances? Given the complexities of a system that Members and claimants find it difficult to comprehend, given the high percentage of mistakes that are made and given the ongoing problems with the system, does the right hon. Lady accept that many people have come to the conclusion that the present social security and tax credits system is simply unsustainable? Therefore, will she reflect on the suggestion that we should have a review of the financial interface between citizen and state to see whether we cannot come up with a simpler and clearer system than the present one?

Dawn Primarolo: I am always happy to listen to the thoughtful points that the right hon. Gentleman makes, and we had this discussion in the Adjournment debate. He suggests that there is a fundamental problem with the system, but I explained in the Adjournment debate on 7 June why that is not the case. I remind him that 20 million people are in the system and that take-up is still increasing. At the beginning of today's statement, and in all the other statements and debates, I have said that I accept the need for improvements, as hon. Members have acknowledged. I have pressed Her Majesty's Revenue and Customs to look at the award notice, as well as communications, explanations given to claimants and advice on their rights, and I have instructed it to streamline procedures. However, the statistics published by Office for National Statistics do not indicate a fundamental problem in the system.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Does my right hon. Friend agree that any policy must meet two tests? First, it must be ambitious enough to address real problems. Tax credits, in seeking

to address the problems of child poverty and making work pay, clearly pass that test. Secondly, when implementing policy, Ministers must acknowledge problems and devise strategies to deal with them. Given the way in which she has dealt with the statement and the questions put to her, my right hon. Friend has passed that test with flying colours.

Dawn Primarolo: At every point, I have been prepared to acknowledge that there are problems. Indeed, I gave a specific written answer in the context of a particular question about computer problems. Both before and since then, I have conceded that there were problems and explained their nature and extent. I explained the problems that were being caused as well as the need to address them and make changes in the system. Tax credits help the Government to reach their targets on eradicating child poverty, but of course there is substantial room for improvement. That is what the reports say, that is what I am responding to, and that is what I have kept the House informed on.

Mr. Nigel Dodds (Belfast, North) (DUP): In her statement, the Paymaster General said:

"Where there is a dispute, I have asked HMRC to consider suspending recovery of excess payments until the dispute is resolved".

Will she make it clear that in all such disputed cases recovery proceedings will indeed be suspended? It is not just a matter of asking HMRC to consider suspending such proceedings. Can she clarify whether it is the Prime Minister's test or the Paymaster General's test that will be applied in cases of overpayment due to official error?

Dawn Primarolo: That is precisely what I am saying, and I have instructed Her Majesty's Revenue and Customs accordingly. In case the hon. Gentleman has not seen it, I am prepared to send him a copy of the statement of 26 May, which covers some of those points, and to write to him specifically about issues in Northern Ireland and the tax credits.

Mr. Robin Cook (Livingston) (Lab): May I invite my right hon. Friend to restore a note of balance to these exchanges by reminding the House that the Opposition trebled child poverty and the Labour party has reduced it by a quarter, largely through the tax credits system? As she looks at ways in which she can improve the operation of the system, I invite her to reflect on the cases that I and, no doubt, others have sent her in which her special requests for attention to hardship are plainly not being fulfilled by the Inland Revenue. The system is computerised, so why can we not set a decency threshold of income below which families should not fall, whatever the requirements on overpayment, so that no family suffers hardship as a result of a system that has lifted so many out of hardship?

Dawn Primarolo: As I announced on 26 May, there will be a review of the disputes procedure, the code of practice currently operated by the Inland Revenue and the way in which the system operates. All the recommendations in reports by the ombudsman, the adjudicator and the Citizens Advice Bureau will be considered in that context. Opposition parties do not want to address the success of tax credits, because that would require them to come to a decision on the fundamental question of how, in our economy, we ensure that we support families with children and eradicate child poverty.

Mr. Michael Jack (Fylde) (Con): In the standard form letters that I have received in response to representations made on behalf of constituents who received overpayments, there is a presumption that constituents should have known that they were being overpaid and should be able to demonstrate that to the Revenue in an appeal. Many people struggle with that, so what steps will the Paymaster General take to introduce a ready reckoner or an easy benchmarking system to enable people to identify whether an overpayment has been made? What is she going to do to remove the misery of uncertainty from people who are waiting months, if not years, for adjudication on their representations?

Dawn Primarolo: As an ex-Treasury Minister, the right hon. Gentleman will know that the tax system uses the reasonableness test. If there was an error, it considers whether it would be reasonable to have known about it. That issue is being addressed as part of the review of the code of practice. A point that hon. Members have repeatedly made is whether it was entirely reasonable, given the information from HMRC, and its frequency and complexity, for the claimant to assume that it was correct. That is part of the review—I touched on it at the beginning of my statement today and dealt with it in greater detail in my statement on 26 May. The right hon. Gentleman will know from his experience at the Treasury how rights are explained by the Revenue, how information is played back by HMRC and how we ensure that the claimant knows what they should be telling HMRC and that HMRC is acting on it swiftly and correctly.

Mr. George Mudie (Leeds, East) (Lab): I urge and plead with the Minister to ignore the Opposition's synthetic concern about poor people in the community. The measure has helped more individuals out of poverty in my constituency than almost anything else we have done. I underline the ombudsman's view that it was broadly successful, but suffered from administrative and computer problems. As a member of the Select Committee on Treasury, I know that the Minister is working hard on those problems. I urge her to continue her efforts to deal with admin and IT complaints, but to leave the policy alone.

Dawn Primarolo: My hon. Friend was a distinguished member of the Treasury Committee and no doubt he hopes to serve on it again. If so, I look forward to discussing this with him in Committee. On the question of the tax credits, as I have repeatedly said, there is a fundamental choice. If we are to operate the responsive system that is widely accepted both inside and outside the House as the correct way to support families with children, we must decide how that flexibility is delivered to claimants and we must do so with certainty. I do not wish to give the impression that I am not concentrating on the errors, but I am disappointed that, while millions of families have benefited from tax credits and have good things to say about them, we never hear about that from the Opposition.

Hywel Williams (Caernarfon) (PC): The Paymaster General may recall a Westminster Hall debate that I secured three years ago on the implementation of the scheme, in which I listed a large number of problems that real people are facing in the real world in getting the correct level of tax credits. The Paymaster General was full of sympathy, but she was sanguine at the time that the system was running properly. Anyone who heard her this morning on the "Today" programme and this afternoon will recognise the same tone yet again. Clearly, the system has caused real problems to real people. May I quote briefly from a letter from a tax credit office? I am sure hon. Members will savour this—

Mr. Speaker: Order. May I say to the hon. Gentleman that this is a very busy day? Back-Bench speeches for the main business are down to eight minutes, and we have private Bills to be presented, so if the hon. Gentleman will just ask a supplementary question, we can get on with the business.

Hywel Williams: Thank you, Mr. Speaker. Given the real problems that the system has caused many families in my constituency and throughout the country, will the Paymaster General take responsibility and consider her position?

Dawn Primarolo: Quite a lot of people need to take responsibility and remember the role they played in the development of the policy. It was developed in wide consultation with the voluntary and community sector and was discussed extensively in the House. The principle of choosing between a fixed system and a flexible system was part of that debate. If the hon. Gentleman does not want a system that responds to the changing needs of families, his responsibility is to tell them how he would help them instead.

Mr. Jim Cunningham (Coventry, South) (Lab): I welcome my right hon. Friend's statement, particularly the part about the hardship test. Very often, regardless of who is at fault, when families suddenly find they have a debt of £1,000 or £2,000, it can seem like the end of the world. For the record, any time I have raised an issue with my right hon. Friend regarding tax credits, she has dealt with it on a personal basis. For the Opposition to attack her integrity today is nothing short of disgusting. The Opposition mentioned the Child Support Agency. Who created that shambles, which we are still dealing with today?

Dawn Primarolo: I am grateful for my hon. Friend's comments. All Members will agree that when they have approached me with their constituency problems, I have dealt with them. It is important for me to listen to the comments made in the House and in the reports published today, reflect on what they mean for the administration of the system and take steps to deal with the problems and issues. That is precisely what I have done today in my statement and on previous occasions, and it is what I intend to continue to do.

Mr. Richard Bacon (South Norfolk) (Con): The Paymaster General said a moment ago that she would like a greater degree of certainty. Is she saying she is minded to agree with the ombudsman in her report, where she questions whether the financial support system, which includes a degree of inbuilt financial uncertainty, can meet the needs of this particular group of families? Is the right hon. Lady saying that she will take that point on board, or will she continue to ignore it?

Dawn Primarolo: I am sorry, Mr. Speaker, if this is becoming somewhat repetitive. I have explained a number of times that the system is about flexibility and responding to the changing needs of families. That is the issue that needs to be addressed. The adjudicator in the report published earlier in the week mentioned the need for more flexibility. The ombudsman recognises the need for flexibility. She and the CAB are saying that the administrative issues need to be dealt with, and I agree; that the IT problems need to be finally sorted, and I agree; and that steps should be taken, and I agree and have taken those steps. I will be taking more steps, and the House will be informed of them.

Clive Efford (Eltham) (Lab): Some of us are not as young as the shadow Chancellor, and we can remember the families who were trapped on benefits when the Labour Government came in. Families in London could not go to work because they were trapped on housing benefit and council tax benefit. There was no national minimum wage, and it would have cost them to go to work. Tax credits have turned that around.

May I tell my right hon. Friend about a case that came to me? A constituent received a statement that gave no indication of the basis on which the calculations had been made. May I suggest that in future every communication contains the facts on which the calculations are based and advises people what to do if they are incorrect?

Dawn Primarolo: My hon. Friend may certainly suggest that. It is in line with the recommendations in the ombudsman's, the adjudicator's and the CAB's reports and in line with the statement that I made about how I intend to proceed from my statement on 26 May. That is one of the issues that we need to address.

Dr. John Pugh (Southport) (LD): Back in June 2003 the Paymaster General stated:

"The IT system . . . has not been working as well as expected . . . The Inland Revenue are working urgently . . . to improve the system"—[*Official Report*, 13 June 2003; Vol. 406 1093W.]

What did she mean by "urgently", and has she secured damages from the IT contractor?

Dawn Primarolo: The hon. Gentleman will be aware, as will the House, not only from my statements, but from publicity elsewhere, of the difficulties experienced in the early months of the introduction of the tax credits and, in particular, with the IT system. He will also be aware that the Department's IT partner has changed and that the Department is working closely with its new IT partner to sort out the issues.

Ed Balls (Normanton) (Lab): Does my right hon. Friend agree that in moving from the inflexibilities and unfairnesses of the old benefits system to what is effectively the integration of tax and benefits through the new tax credits system, it is important that we balance the interests of taxpayers and poor families?

That is why, in the original design, if incomes fall, families are fully compensated, but if their incomes go up, they must rise above the £2,500 threshold before they have to make repayments. In looking again at whether that balance has been struck as well as it could have been and whether we need to learn from experience, can my right hon. Friend confirm that she will do nothing to go backwards on tax credit integration or on reducing the unfairnesses or the inflexibilities and that she will do nothing to put at risk a reform for which she deserves huge credit, which has taken a million families out of poverty and which was opposed consistently from the beginning by the entire Opposition?

Dawn Primarolo: My hon. Friend is right. As he knows, the integration of the tax and benefits system has removed stigma and enabled people to move from unemployment into work. It has supported families, helped reduce the number of children in poverty and made sure that we have a flexible system that responds to families' needs. The choice is between a fixed, unresponsive, unfair system and a flexible system that responds to family changes. Within that equation, as he rightly identifies, we need to strike a balance on behalf of the taxpayer and define the limits of that flexibility. In the present system, all drops in income are automatically adjusted when we are notified, so that the family does not lose out. If there is any rise in income over £2,500 a year—a sum lower than that is not notifiable—the family should report an increase of income in the year. That strikes a balance of generosity on behalf of the taxpayer and recognises our partnership and the responsibility of society to support children in families, while limiting the cost of the system for the taxpayer.

Mr. Charles Walker (Broxbourne) (Con): Labour Members do not have a monopoly on compassion, whatever they might think. Many people live on the very margins of society in Waltham Cross and Cheshunt. I know there is a problem and sincerely believe the Minister will try to resolve it. Can she assure me that none of the hard-working families in my constituency will be disadvantaged by any clawback in future?

Dawn Primarolo: That is precisely what I was trying to achieve through the reforms that I announced on 26 May, and I am gratified that the hon. Gentleman is prepared to acknowledge that.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I regularly meet constituents who have benefited enormously from the tax credit system, and especially from the child care tax credit, which allows them to get off benefit and into work to advantage themselves and their families. When my right hon. Friend considers families who are in need because of decisions about their entitlement, will she examine the child care tax credit, without which many parents would not be able to stay in work?

Dawn Primarolo: I reassure my hon. Friend that the child care tax credit will be considered when we examine the need for reform on disputed excess payments. She is right that payment assistance with child care costs has liberated hundreds of thousands of families by allowing parents to choose whether to return to work. That payment did not exist until we started our tax and benefit reforms, which have provided huge improvements for parents in particular.

Peter Viggers (Gosport) (Con): Is the Paymaster General aware that her complacency does not reflect the distress and hardship that so many families have experienced? Even if the incompetence were ironed out of the system, the flexibility of which she is so proud still means overpayment and clawback, which causes intense hardship for poorer families.

Dawn Primarolo: The hon. Gentleman's criticism that I have been complacent is not correct. This afternoon, I have provided a catalogue of actions that I have taken over some time, and I have continued to acknowledge that the system contains some problems. The hon. Gentleman should address the complacency of the previous Government in allowing child poverty to rise and the apparent complacency of the current Conservative party in not willing the means needed to tackle and eradicate child poverty.

BILLS PRESENTED

Immigration, Asylum and Nationality

Mr. Secretary Clarke, supported by The Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Mr. Tony McNulty, Bridget Prentice and Andy Burnham, presented a Bill to make provision about immigration, asylum and nationality; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. Explanatory notes to be printed [Bill 13].

Employment Tribunals (Representation and Assistance in Discrimination Proceedings)

Mr. Marsha Singh, supported by Peter Bottomley, Mr. Michael Clapham, Mrs. Ann Cryer, Mrs. Janet Dean, Mr. John Grogan, Mr. Fabian Hamilton, Mr. Mike Hancock, Dr. Brian Iddon, Mr. Eric Illsley, Mr. Terry Rooney and Mrs. Betty Williams, presented a Bill to make provision about representation of and assistance to complainants indiscrimination proceedings before employment tribunals and the Employment Appeal Tribunal; to establish and confer functions upon the Tribunal Representation and Assistance Board; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 October, and to be printed. [Bill 14].

Rights of Savers

Sir Malcolm Rifkind, supported by Mr. David Heathcoat-Amory, Mr. Nigel Waterson, Mr. Tim Boswell and Mr. Paul Goodman, presented a Bill to make provision about the rights and choices of savers in relation to pensions and pension schemes, annuities and savings; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 28 October, and to be printed. [Bill 15].

Armed Forces (Parliamentary Approval for Participation in Armed Conflict)

Clare Short, supported by Dr. Tony Wright, Mr. William Hague, Sir Menzies Campbell, Mr. Kenneth Clarke, Mr. Alex Salmond, Mr. Douglas Hogg, Mr. Neil Gerrard, Mr. Gordon Prentice, Kelvin Hopkins, Mr. Michael Moore and Adam Price, presented a Bill to require parliamentary approval for the participation of Her Majesty's armed forces in armed conflict and for a declaration of war; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 21 October, and to be printed. [Bill 16].

Climate Change and Sustainable Energy

Mr. Mark Lazarowicz, supported by Dr. Alan Whitehead, Mr. Andrew Smith, Mr. Peter Ainsworth, Mr. Frank Doran, Andrew Stunell, Dr. Desmond Turner, Mr. Mike Weir, Joan Walley, Alan Simpson, Meg Hillier and Colin Challen, presented a Bill to make provision about the reduction of emissions of greenhouse gases, the alleviation of fuel poverty, the promotion of microgeneration and the introduction of a renewable heat obligation; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 11 November, and to be printed. [Bill 17].

Criminal Law (Amendment) (Protection of Property)

Miss Anne McIntosh, supported by David Davis, Patrick Mercer, Mr. Dominic Grieve, Mr. Frank Field, Mr. Mike Hancock, Lady Hermon, Kate Hoey, Dr. Richard Taylor, Mr. Mark Prisk, Chris Grayling and Mr. Roger Gale, presented a Bill to amend section 3 of the Criminal Law Act 1967 and section 3 of the Criminal Law Act (Northern Ireland) 1967 in relation to the use of force in the prevention of crime or in the defence of persons or property: And the same was read the First time; and ordered to be read a Second time on Friday 2 December, and to be printed. [Bill 18].

International Development (Reporting and Transparency)

Mr. Tom Clarke, supported by Ann McKechin, Mr. Nicholas Brown, John Barrett, Angela Browning, Mr. Alex Salmond, Dan Norris, Ed Balls, Lady Hermon, Dr. Hywel Francis, John Bercow and Keith Vaz, presented a Bill to require the Secretary of State to report annually on total expenditure on international development assistance as a proportion of gross national income, and in particular on progress towards the target for expenditure on official development assistance to constitute 0.7 per cent. of gross national income; to require such reports to contain information about expenditure by country, about the proportion of expenditure in low income countries and about the effectiveness of expenditure in each country; to make provision about the transparency of international development assistance; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 January, and to be printed. [Bill 19].

Emergency Workers (Protection)

Mr. Alan Williams, supported by Derek Conway, Mrs. Ann Cryer, Mr. Andrew Dismore, Clive Efford, Nia Griffith, Mr. David Heath, Mr. Michael Mates, Ms Emily Thornberry, Jon Trickett, Mrs. Betty Williams and Richard Younger-Ross, presented a Bill to make it an offence to assault or impede persons who provide emergency services; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 24 February, and to be printed.[Bill 20].

Income Tax (Earnings Exemption for Persons Living in Poverty)

Mr. Geoffrey Clifton-Brown, supported by Mr. John Whittingdale, Mr. Iain Duncan-Smith, Mr. Edward Leigh, Mr. Nick Herbert, Mr. William Hague, Mr. Peter Atkinson, Mr. Peter Ainsworth, Andrew Selous, Peter Luff, Sir George Young and Mr. David Curry, presented a Bill to provide that income tax is not chargeable on the earnings of persons living in poverty: And the same was read the First time; and ordered to be read a Second time on Friday 14 October, and to be printed. [Bill 21].

Management of Energy in Buildings

Dr. Alan Whitehead, supported by Mark Lazarowicz, Paddy Tipping, Mr. John Denham,

Mr. Peter Ainsworth, Andrew Stunell, Mr. Andrew Robathan, Joan Ruddock, Colin Challen, Annette Brooke, Dr. Phyllis Starkey and Martin Salter, presented a Bill to make provision about the promotion of renewable and sustainable energy, energy efficiency in buildings and the alleviation of fuel poverty; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 11 November, and to be printed. [Bill 22].

Children's Food

Mary Creagh, supported by David Taylor, Helen Goodman, Mark Durkan, Ms Emily Thornberry, Mr. Andy Reed, Mr. Paul Burstow, Vera Baird, Ms Barbara Keeley, Tom Levitt, Mr. Barry Sheerman and Mr. Robert Walter, presented a Bill to make provision about the marketing, sale and provision of food to and for children; to make provision for education and the dissemination of information about children's diet, nutrition and health; to place certain duties on the Food Standards Agency; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 28 October, and to be printed. [Bill 23].

Road Safety and Parking

Ms Sally Keeble, supported by Miss Anne Begg, Mrs. Louise Ellman, Mr. Tom Clarke, Margaret Moran, Dr. Brian Iddon, Mr. David Kidney, Andrew Miller, Bob Russell, Peter Bottomley, Mr. Brian Binley and Andrew Selous, presented a Bill to make it an offence to cause death or serious injury by careless driving; to make further provision about badges for display on motor vehicles used by disabled persons; to make provision about the safety of school transport; and for connected purposes; and the same was read the First time; and ordered to be read a Second time on Friday 21 October, and to be printed. [Bill 24].

Crime Prevention and the Built Environment

Mr. Nigel Evans, supported by David Davis, Mrs. Caroline Spelman, Mr. Robert Syms, Mr. Tobias Ellwood, Mr. Simon Burns, Mrs. Cheryl Gillan, Patrick Mercer, Miss Julie Kirkbride, Mr. Eric Pickles, Mr. James Paice and Richard Ottaway, presented a Bill to make provision about crime prevention and the built environment: And the same was read the First time; and ordered to be read a Second time on Friday 2 December, and to be printed. [Bill 25].

Telecommunications Masts (Planning Control)

Mr. David Curry, supported by Sir George Young, Alan Simpson, Mr. David S. Borrow, Mr. James Gray, Adam Afriyie, Mr. Gary Streeter, Derek Wyatt, Andrew Stunell, Mr. Phil Willis, Mr. Mark Oaten and John Bercow, presented a Bill to amend the law relating to planning in connection with telecommunications masts and associated apparatus; to amend the electronic communications code in connection with telecommunications masts and associated apparatus and make further provision about that code; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 24 February, and to be printed. [Bill 26].

Occasional Sales

Mr. John Whittingdale, supported by Janet Anderson, Dr. Vincent Cable, Peter Luff, Chris Bryant, Mr. Don Foster, Mr. Hugo Swire, Jim Dowd, Pete Wishart, Mr. Nigel Evans, Lembit Öpik and Peter Bottomley, on behalf of Mr. John Whittingdale, presented a Bill to make provision about occasional sales: And the same was read the First time; and ordered to be read a Second time on Friday 14 October, and to be printed. [Bill 27].

Regulation of Laser Eye Surgery

Frank Cook, supported by Dr. Ian Gibson, Mrs. Gwyneth Dunwoody, Dr. Richard Taylor, Mr. Alan Williams, Sir George Young, John McDonnell, Roger Berry, Peter Bottomley, Kelvin Hopkins, Mr. Mike Hancock and Lynne Jones, presented a Bill to regulate laser eye surgery: And the same was read the First time; and ordered to be read a Second time on Friday 21 October, and to be printed. [Bill 28].

European Communities Act 1972 (Disapplication)

Mr. Owen Paterson, supported by Mr. William Cash, Mr. David Heathcoat-Amory, Mr. Frank Field, Mrs Gwyneth Dunwoody, Nick Harvey, Mr. Edward Leigh, Mr. Desmond Swayne, Mr. Richard Shepherd, Angela Watkinson, Mrs. Theresa Villiers and Mr. Robert Goodwill, presented a Bill to provide that Community treaties, Community instruments and Community obligations shall only be binding in legal proceedings in the United Kingdom insofar as they do not conflict with a subsequent, expressly inconsistent enactment of the Parliament of the United Kingdom: And the same was read the First time; and ordered to be read the Second time on Friday 14 October, and to be printed. [Bill 29].

Breast Cancer

Mr. Shailesh Vara, supported by Mr. Stephen Dorrell, Dr. Ian Gibson, Bob Russell, Angela Browning, Miss Julie Kirkbride, Mr. Roger Gale, Vera Baird, Mrs. Ann Cryer, Dr. Doug Naysmith, Annette Brooke and Dr. Richard Taylor, presented a Bill to make provision about the detection and treatment of breast cancer: And the same was read the First time; and ordered to be read a Second time on Friday 20 January, and to be printed. [Bill 30].

Humber Bridge

Shona McIsaac, supported by Mr. Austin Mitchell, David Davis, Ms Diana R. Johnson, Mr. Greg Knight, Mr. Graham Stuart, Edward Miliband, Mr. Phil Willis, Mr. John Grogan and Mr. Edward Leigh, presented a Bill to amend the Humber Bridge Act 1959; to require the Secretary of State to give directions to certain members of the Humber Bridge Board in relation to healthcare; to require the Secretary of State to review the desirability of facilitating journeys across the Humber Bridge in relation to healthcare; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 January, and to be printed. [Bill 31].

PROFESSIONAL FOOTBALL (SUPPORTER INVOLVEMENT)

Mr. John Grogan, supported by Tony Lloyd, Joan Walley, Nick Harvey, John Mann, Shona McIsaac, Mr. Mike Hall, Dr. Alan Whitehead, Stephen Hesford, Jon Trickett, Mr. Clive Betts and Mr. Marsha Singh, presented a Bill to make provision about supporter involvement in professional football clubs; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 24 February, and to be printed. [Bill 32].

PROHIBITION OF ABORTION (ENGLAND AND WALES)

Mr. Laurence Robertson, supported by Mr David Amess, Mr. Julian Brazier and Sir Nicholas Winterton, presented a Bill to prohibit the aborting of foetuses in England and Wales unless the mother's life is at risk, or where conception has been caused by rape; to make it an imprisonable offence for anyone to carry out an abortion other than in those circumstances; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 21 October, and to be printed. [Bill 33].

Opposition Day

[2ND ALLOTTED DAY]

Special Schools and Special Educational Needs

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

1.27 pm

Mr. David Cameron (Witney) (Con): I beg to move,

That this House believes that special schools play a vital role in meeting the needs of children with learning difficulties, and that parents should have more choice between special and mainstream schools; further believes that the Government should hold a proper review of the provision of special educational needs to cover concerns about the statementing process, the continued closure of special schools, concerns about bias in the law and central government pressure to pursue policies of inclusion when they are not always appropriate; and calls for a moratorium on special school closures until such a review has been published and properly debated.

How we provide education and opportunity for those with complex needs is incredibly important. Those children include some of the most disadvantaged in the country and their families often face enormous stresses and strains in trying to bring them up and in getting what they need.

There is much common ground on both sides of the House about what we should be trying to do. Last week, the Minister for Children and Families, who is not present today, said:

"We need to ensure that the system can deliver as easily and accessibly as possible what individual parents want."—[*Official Report*, 16 June 2005; Vol. 435, c. 381.]

I agree with that point, but it is not actually happening.

My argument is not with what the Government say about that issue, but with what they do and with what they are allowing to happen up and down this country: special schools are closing, mainstream schools are not coping and statementing has become incredibly bureaucratic and far too much of a battle for all concerned. Inclusion has gone too far and we badly need to stop, think and get this right.

There is concern on both sides of the House on the issue. At last week's Education and Skills questions, the hon. Member for Leeds, East (Mr. Mudie) warned that parents' wishes are being completely ignored, saying:

"The private company that a past Secretary of State put in to run education is closing the"

special

"school, threatening governors and taking no notice of parents".—[*Official Report*, 16 June 2005; Vol. 435, c. 378.]

How much more serious could the situation be? I am sure that we will hear more concerns today about what is happening on the ground.

The Conservative approach is clear. We are not saying that inclusion is wrong—for many children, it is right and works well—and we are not saying that the concept of statements is wrong. We need a system that recognises and meets needs. However, the Government must recognise three things. First, the inclusion agenda has gone too far. A movement that was about redressing

a balance is going beyond achieving that and is now being applied in many cases where it harms rather than helps. Secondly, the statementing system now has serious problems resulting in many children not getting the education and services that they need. Thirdly, as a result, we believe that the whole sector needs to be fundamentally reviewed.

The Government's approach to these issues is simply inadequate and the audit of special schools that is under way is typical of that approach. The Labour election manifesto "Britain forward, not back"—as always, no verbs, but catchy title—said:

"We will undertake an audit of special school provision to give better comparative information to local authorities, head teachers and school governors as they plan future . . . provision."

Sir Nicholas Winterton (Macclesfield) (Con): My hon. Friend will know that I entirely endorse the case that he is presenting. Will he give a categorical assurance that no further special schools will close as far as the Conservative and Unionist party is concerned, and that there will be a proper audit of the resources given to them? The Park Lane special school in my constituency, which is 100 per cent. supported by local people and by parents, is being deprived of the resources that it needs to provide the level of education that these very vulnerable young people require.

Mr. Cameron: As I will explain, our policy is for a moratorium on the closure of special schools because we believe that the policy is biased, as is the guidance, and that is why so many schools are threatened with closure.

Mr. Michael Foster (Worcester) (Lab): Manor Park special school in my constituency is about to be closed and the pupils dispersed to Rose Hill and Thornton House special schools. Would the hon. Gentleman describe that as the closure of a special school or as a reconfiguration of the system? In trying to be helpful to him—I know that he wants to win friends and influence people over the next few months—I should point out that Worcestershire local education authority is Conservative-controlled.

Mr. Cameron: If one has a moratorium, so that one can stop and think and get the Government policy right, then one can stop the closures. The reason why so many authorities are considering closing schools is because of the guidance that goes out from the Government, which I have here. It is called "Inclusive Schooling"—the title is a bit of a giveaway—and says on the front page that it "must not be ignored". On page 9, it says:

"The starting point is always that children who have statements will receive mainstream education."

That is the guidance and that is why we have these problems.

Several hon. Members *rose—*

Mr. Cameron: Hang on; let me go on about Worcestershire for a moment. I have a list of cases from Worcestershire. Here is one:

"John, aged 6, has moderate learning difficulties. He spends most of the school day sat at a desk outside the classroom so he doesn't upset or distract the other children. Mum is now pushing for John to attend a special school for moderate learning difficulty children."

Yet it is moderate learning difficulty schools that are being closed and that the Government's audit does not cover.

Several hon. Members *rose—*

Mr. Cameron: Right, who is next?

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman is right to raise this important issue, but can he quote the educational research that proves his argument that moderate learning difficulty children do better if they are segregated in special schools?

Mr. Cameron: There is plenty of evidence that special schools lead to very good outcomes. The hon. Gentleman should do what I did in his county of Gloucestershire—get himself to the Alderman Knight school in Tewkesbury. That is a moderate learning disability school that does a fantastic job for the parents and children, with real intimacy and small classrooms, and it is much valued. A Labour and Liberal Democrat-controlled council was going to close it but, because the Conservatives won in May, it will be saved.

Andrew Miller (Ellesmere Port and Neston) (Lab) *rose—*

Mr. Cameron: Right, let us try Cheshire.

Andrew Miller: I want to follow up the point made by the hon. Member for Macclesfield (Sir Nicholas Winterton). Will the hon. Gentleman explain why there is a massive underspend in the education budget in Cheshire, with some £3.8 million unspent by his party, which is in control?

Mr. Cameron: We are discussing special schools. If there is an underspend, clearly the council will have more money available to spend on special needs. I hope that it will spend it carefully—*[Interruption.]* The hon. Gentleman asked the question, so he might as well wait for the answer. It would probably spend it better if the Government had a less biased law and did not put out biased guidance.

Several hon. Members *rose—*

Mr. Cameron: We have a very limited time for the debate, so I am going to make some progress.

The Parliamentary Under-Secretary of State for Education and Skills (Maria Eagle) *rose—*

Mr. Cameron: I have to give way to the hon. Lady.

Maria Eagle: The hon. Gentleman refers to less biased law. Is he saying that the Special Educational Needs and Disability Act 2001, which applies the civil rights in the Disability Discrimination Act 1995 to education, is biased law that he does not approve of?

Mr. Cameron: That is exactly what I am about to explain. In my view, the 2001 Act does not recognise balance. True balance is about giving parents a choice,

[Mr. Cameron]

with full information, between special schools and mainstream schools. If the hon. Lady is patient, she will find out about it shortly, when I set it out in great detail.

The Government's audit is very limited, even though they told us in their manifesto that it would be a general audit. The Minister for Children and Families told us last week that

"it is a specific audit . . . for the relatively small number of children who have high and complicated needs".—[*Official Report*, 16 June 2005; Vol. 435, c. 379.]

Why did not they say that in their manifesto? They gave a completely false impression. The audit covers only those schools that deal with the most severe needs, yet it is schools for those with moderate learning difficulties that are closing. The Government's approach is in danger of being both flawed and complacent. It is the anniversary of Nelson's death, and my worry is that the Government are putting the telescope up to their blind eye and saying, "We see no problems; we see no closures." They have to focus on this issue.

I want to do three things: set out the evidence that inclusion has gone too far, explain why that has happened—I shall come on to the bias in the law—and suggest what the Government should do about it.

Tom Levitt (High Peak) (Lab): The hon. Gentleman will no doubt wish to point out to the House that, since Labour came into power, around 13 special schools a year have indeed been closed. Would he also like to put on the record that, during the last 10 years of the Conservative Government, some 27 special schools a year were closed? He wants local people to make local decisions on special education, but is not a moratorium on closure the antithesis of that?

Mr. Cameron: This is rather sad. I am making a speech about the future—about getting it right for the most needy children in our country. The hon. Gentleman is right. Ninety schools have closed since this Government came to power. That is wrong and regrettable, and the fact that we have lost 6,000 places is a problem. I am going to make some suggestions about what should be done about it and if he is patient he will hear them.

There is an overt closure programme, with schools threatened explicitly by the authorities. The Government cannot deny that because the Minister for Children and Families said last week that, if the closures were stopped, as we suggest, there would be "chaos" and "gridlock". We maintain that the closure of these centres of excellence is causing the chaos and that is what the Government need to learn.

There is also closure by slow strangulation, whereby parents are not told about the special schools, fewer children are sent to them, and head teachers are told, "Your rolls are falling and your future's uncertain." Many Members, from Gloucestershire and elsewhere, will be able to tell us about such cases.

The experience of mainstream schools adds to the mounting evidence that inclusion is being taken too far. Many are not coping with the new approach. As the Disability Rights Commission put it:

"Many parents of disabled children have little confidence that mainstream schools will provide a safe environment where their children can reach their true potential."

We should listen to that.

Justine Greening (Putney) (Con): I fully endorse what my hon. Friend is saying about the policy of inclusion, which is forcing parents to put their children into mainstream schools. In my area, special needs schools have falling rolls. That places local councils in an impossible position if they wish to continue providing special needs access in the long term as well as the short term. *[Interruption.]*

Mr. Cameron: My hon. Friend is absolutely right. I shall tell hon. Members who are shouting, "Who controls the council?", what councils have to plough through. They have to read "Removing Barriers to Achievement"—the Government strategy that is forcing inclusion on them—and the report of the special schools working group, which is doing the same. That is why I am asking the Government for a proper audit and a proper review.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): In a previous life, I was a council cabinet member for education in Sheffield, where we embarked on a programme of consolidation and rebuilding for good special schools. We stopped the closure of three schools because we listened to the parents and the professionals and realised that those schools had a longer life. Will the hon. Gentleman recommend that Leeds, a Tory authority, does the same?

Mr. Cameron: I have made my position clear. If there is a moratorium, all the closures will stop and there will be time to think again in the sensible way that the hon. Lady describes. I believe that she said in Question Time last Thursday that the problem in many areas is that local authorities do not listen to the views of special needs teachers in special schools who know the problems so well. I agree with her, which is why I made the point that hon. Members of all parties are concerned about how the law is working and what is happening on the ground.

Judy Mallaber (Amber Valley) (Lab): Will the hon. Gentleman give way?

Mr. Cameron: I am keen to give others time to speak in the debate, so I shall make progress.

When left in mainstream schools, where they are often not dealt with properly, children with special needs can become disruptive. That is not in the interests of the student with special needs, the rest of the class, the teacher or the school. In many cases, parents recognise that that form of inclusion is not working and they vote with their feet. In 2003, more than 5,000 children with statements transferred from mainstream schools to special schools, while only 1,200 went in the other direction.

As hon. Members know, in some cases when children stay in mainstream schools, the schools cannot cope and disaster ensues. One can see that in the figures for exclusions. Two thirds of all exclusions involve students with special needs. One in five people of school age affected by autism is expelled from school and never returns. Those are individual tragedies.

Our view that inclusion has gone too far has received significant support from the words of Lady Warnock. The second Warnock report is a remarkable document. Anybody who is interested in the subject should read it. It is a stunning recantation of the first Warnock report, which began the inclusion campaign. In my view, Lady Warnock deserves credit for candour. She refers to the policy of inclusion as the "most disastrous" legacy of her original report. She says:

"the failure to distinguish between various kinds of need has been disastrous for many children."

The report could not be clearer about current Government policy. It says that

"there is increasing evidence that the ideal of inclusion, if this means that all but those with the most severe disabilities will be in mainstream schools, is not working."

The Government simply cannot ignore such a significant report by so respected a figure. It is no good saying, "But that is not our policy"—I will go on to show that that is precisely the Government's policy. Baroness Warnock understands exactly what the Government's policy is and she says that it is wrong.

Mr. Edward Davey (Kingston and Surbiton) (LD): Does not Baroness Warnock also say that some of the special schools are inadequate and need to be reorganised? Does the hon. Gentleman support special schools reorganisation when it is sensible?

Mr. Cameron: Yes, absolutely. Baroness Warnock has some interesting things to say. My point is that we should have a moratorium to get the Government policy right. Until we get rid of the document entitled, "Inclusive Schooling", we will not get anywhere. Once the policy is right, there is much more that we can do. In my constituency, there is a combined special school and mainstream school. Springfield school and Madley Brook school are next door to each other. They form two horseshoes, with the special school inside the mainstream school. That is a model for others to follow. However, we must get the law and the guidance right first.

Several hon. Members *rose—*

Mr. Cameron: I want to make progress because the debate is time limited.

I want to consider why we are in the current position and why I believe that it will continue. My next point directly answers the question that the Under-Secretary asked earlier. There is a bias in the law on special educational needs as it stands. The 2001 Act states that, if a statement is maintained, a child must be educated in a mainstream school unless that is incompatible with the wishes of his parent or the provision of efficient education for other children. However, in many cases parents are not told about the existence of special schools. That is not balance. *[Interruption.]* The Under-Secretary should listen instead of chuntering. Balance means offering parents the choice of a place in either a mainstream or a special school and providing plenty of information and help to make that choice. The Government should conduct a review.

The guidance, as well as the law, is biased. I have referred to "Inclusive Schooling", but the same goes for the document that the Minister for Children and Families mentioned last Thursday, "Removing the Barriers to Achievement". The strategy states:

"The proportion of children educated in special schools should fall over time".

That is the Government's approach. The guidance goes on to stress that only a

"small number of children . . . have severe and complex needs that will continue to require special provision."

Perhaps the Minister will claim that I am somehow misinterpreting the guidance, but it is not only my view. In her new report, Mary Warnock states:

"Government thinking is set on immovable tracks. Special schools are a place of last resort, only, we are told, for children with severe and complex disabilities. But for other children we must keep them out of special schools by hook or by crook to educate them in mainstream schools."

The Government need to be aware of what is happening. Local authorities are interpreting Government policy in a particular way because special schools are expensive. Class sizes are small—indeed, it is that sense of intimacy that often enables them to get so much done. The equipment all costs money. An alliance is therefore being formed between those who favour inclusion on ideological grounds and those who want to achieve it on financial grounds. If Ministers do not realise that that is happening, they are not in touch with what is going on on the ground.

Mrs. Eleanor Laing (Epping Forest) (Con): Will my hon. Friend give way?

Mr. Cameron: I shall not give way again. *[Interruption.]* I have been tempted into giving way.

Mrs. Laing: I am grateful to my hon. Friend for giving way so graciously. On the point that he has just made and the interpretation of Lady Warnock's report, does he agree that special schools are not only schools for the pupils who happen to be in them at any particular time, but centres of excellence that help teachers in mainstream schools who need to learn about special education for those with mild learning difficulties who can benefit from inclusion? We must not lose those centres of excellence.

Mr. Cameron: I suspect that my hon. Friend would expect me to say that I agreed with her anyway, but I genuinely agree with her. Baroness Warnock says that Ministers are partly responsible for the rather condescending view that people have of special schools. My hon. Friend is right that we should view them as centres of excellence.

I want to be positive. We need a full audit of special schools, which must cover every special school in every part of the country and take account of the views of parents, which are often ignored. It must examine the

[Mr. Cameron]

law, which restricts choice and inculcates a bias against special schools. At least until the audit is completed, published and discussed, there should be a moratorium on the closure of special schools.

Maria Eagle: The hon. Gentleman has been generous in giving way, for which I am grateful. Is he in favour of repealing the Special Educational Needs and Disability Act 2001?

Mr. Cameron: No. I have said that it should be reviewed to provide balance. I shall not redraft the Act at the Dispatch Box, but the minimum for which it should provide is giving parents of special needs children a choice between a mainstream or a special school, and the support and information that they need. That is balance.

Mr. Davey: They do get a choice.

Mr. Cameron: The hon. Gentleman should examine the law and the way in which it is drafted, talk to parents who have not been told about special schools and read the guidance. He will then realise that I am right and he is wrong.

John Bercow (Buckingham) (Con): Does my hon. Friend accept that part of the problem is that the Government want it both ways? They want to close special schools and deny mainstream education the necessary resources to make a success of integration. Does my hon. Friend know that a primary school in my constituency faces the indignity of pupils with special needs having to use the school staff room from which the staff are turfed out, while the Government claim that provision is reasonable. Is not there a mismatch between the definition of "reasonable" by the Department for Education and Skills and that which would appear sensible to most reasonable people?

Mr. Cameron: My hon. Friend puts it extremely well. I do not believe that the Government are acting with malice aforethought. They do not follow the policy because they do not care. They simply have not thought it through. When they examine the policy carefully, they will find that many children with special needs are excluded from school and stuck in pupil referral units. I have examples of pupils who are meant to be there for only a few weeks yet end up there for a few months because of the bias against special schools.

At the heart of this debate are the children whom none of us want to see left behind. I have criticisms of the Government, and I have made them, but I have also made constructive suggestions, and I want us to achieve consensus where we can. It does not matter who does these things, it just matters that they get done. There is a simple point at issue: different children have different needs. Trying to meet them all in the same way in the same class in the same school can be, and all too often has been, a cruel deception for many children. Mary Warnock has seen the light and admitted that she got it wrong.

We are asking the Government to think again. These are people's children, not guinea pigs in some giant social experiment. Real inclusion involves understanding that different needs require different, and often special, treatment. The closure of special schools must be stopped while the Government think again. I would say to any Member from any party who shares this view, and who knows that real compassion means understanding our differences, should join us in the Lobby and vote for our motion today.

1.50 pm

The Minister for Schools (Jacqui Smith): I beg to move, To leave out from "difficulties" to the end of the Question and to add instead thereof:

"acknowledges that parents may want mainstream or special schools for their children and notes that under the current statutory framework they have the right to express a preference for either; welcomes the Government's commitment to improving the range and quality of provision for children with special educational needs through its special educational needs strategy, Removing Barriers to Achievement, which followed wide consultation and a separate review of the role of special schools; rejects the call for further reviews and a moratorium on closures of special schools, since this would stifle reorganisation of local provision to meet changing patterns of need and halt the development of effective collaboration between mainstream and special schools; welcomes the Government's audit of provision for low incidence needs since it will contribute to more effective planning; and welcomes its determination to ensure that all children with SEN are able to realise their potential, wherever they are taught.".

I very much welcome the interest of the Opposition in special educational needs and the future of special schools. I also welcome the emphasis that the hon. Member for Witney (Mr. Cameron) has placed on the perspective of parents. Many of us will bring our experiences as parents to the debate; some of us will even bring our experience of state education. Despite such a gap in the hon. Gentleman's experience, however, he is doing a reasonable job. He is also doing a reasonable job of promoting his leadership ambitions, and I wish him well in that regard. In fact, I think that the Conservatives would be wise to go for a leader from the progressive left of their party.

I shall turn to the important issues of the debate. There is a fundamental flaw in the hon. Gentleman's approach to this matter. I am disappointed with what appears to be an ongoing fixation with buildings and institutions. Furthermore, the Opposition are expending all their energy on criticising a policy that simply does not exist. Contrary to the impression that the Conservatives would like to give, the Government do not have a policy of closing special schools.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I should like to bring the debate back down to the real level. Jack McMurray is a beautiful little eight-year-old boy in my constituency, and he has autism. As a result of inclusion, he is in fact excluded from school. This little boy, who needs education the most, has none. Will the Minister agree to meet me to discuss Jack's case, because his parents are on the edge of despair?

Jacqui Smith: My concern is for little boys such as Jack, and for children with special needs, and others, throughout the whole country. Of course, if it would be helpful to discuss these issues, my ministerial colleagues and I would be more than willing to meet with Members from either side of the House.

Andrew Miller: While my right hon. Friend is looking at what is going on up and down the country, will she

take a special look at Cheshire, where there is a massive underspend in the area of expenditure that we are discussing, as well as a threat of an £8 million underspend in the Sure Start budget? This is outrageous. We have allocated money, and it is vital that, when it has been allocated, the Conservative council should not be allowed to divert it to other projects. It must be spent in these important areas.

Jacqui Smith: My hon. Friend is absolutely right. The Government are increasing investment in schools, and it is the responsibility of local authorities to ensure that that investment gets to where it will make a difference for our pupils and schools.

Mr. Sadiq Khan (Tooting) (Lab): As we are talking about terrible Tory councils, does my right hon. Friend agree with certain observations in yesterday's *Evening Standard*? She might be aware that two Members of this House are also councillors in the London borough of Wandsworth: the hon. Member for Broxbourne (Mr. Walker) and I. The *Evening Standard* said that the use by the Conservative council of the term "reorganisation" was a

"weasel phrase to preserve its flagship status as a low-rate Tory borough".

Does my right hon. Friend agree?

Jacqui Smith: I shall touch on that issue in a moment. My hon. Friend has identified a fundamental problem in the Conservatives' approach, which argues for decentralisation of decision making, but for centralisation when those decisions are not the ones that they want.

Tom Levitt: My right hon. Friend will know, from when we served on the Special Educational Needs and Disability Bill together, that I passionately believe that special schools have a place, especially for those children who are best served in those schools. There are such categories of children. Is not the key to all this, however, to get the statement right in the first place, and to agree a policy whereby the right education can be provided and properly resourced for that individual child? Parents with a child with special needs want support, which they often get from parent partnerships, to help them to reach the best decision for their child, who will, after all, have to live in an inclusive world after they leave school—

Mr. Deputy Speaker (Sir Michael Lord): Order. That was a reasonably long intervention, and interventions generally are getting too long. The House would do well to remember that interventions take time out of the debate, making it more difficult for Members who are seeking to catch my eye to contribute this afternoon.

Jacqui Smith: Thank you, Mr. Deputy Speaker. My hon. Friend makes a crucial point about the importance of parents and of an individual's needs in the system, and I shall expand on that in a moment. I should now like to make a little progress.

I disagree with the Opposition, in that I do not believe that we should focus on buildings and institutions. It would be more useful to set down the guiding principles of the system, then design and reform it to meet those principles, rather than making the maintenance of the status quo the guiding principle, which is the Conservative—in all senses of the word—approach. I do not believe that that will enable us to deliver for the needs of individual children. Our focus is on meeting the needs of all children, on extending parental choice, and on securing the highest possible standards and the best possible outcomes for children, young people and families.

Those are ambitious goals, but rightly so. The task of achieving them is changing over time, as new challenges arise. For example, we have seen a significant increase in the number of children identified with autistic spectrum disorders over the past few years, as our health system becomes better at supporting very young children and babies. We are also seeing increasing numbers of children with profound and complex impairments and with learning difficulties. Because we are faced with that wide and evolving range of needs, it is important that we have a flexible range of provision that is able to meet those needs. That is what we are seeking to achieve.

Judy Mallaber: Has my right hon. Friend read the response of the National Autistic Society to Baroness Warnock's report? Its conclusion is that we should not abandon the policy of inclusion, but that it needs training and resources to make it work. Local authorities such as Derbyshire are putting extra resources into specialist autism centres as well as into enhanced units in mainstream schools, which represents the way forward to allow parents the necessary choice.

Jacqui Smith: I strongly agree with my hon. Friend, and with the National Autistic Society. Previous work by the society and by the all-party group on autism has shown that about 80 per cent. of parents with autistic children in mainstream education felt that they were getting very good support. My hon. Friend has made precisely the point that I wanted to make, which is that the quality of education is dependent on the investment and resources that are put into the schools.

Several hon. Members *rose*—

Jacqui Smith: If it is okay with hon. Members, I should like to make a little more progress, as there is a time restriction on Back-Bench speeches.

Parental views on where a child should be educated and the support that they should receive are extremely important. We must remember that it was not that long ago that many parents were denied that choice by a system that prevented many children with special educational needs from being educated in a mainstream school and joining other children in that way. That is why we introduced the Special Educational Needs and Disability Act 2001. Contrary to the claims made by the Opposition, that Act removed barriers that were placed in the way of parents who wanted their children to attend mainstream schools but were denied the opportunity.

Andrew Gwynne (Denton and Reddish) (Lab): My right hon. Friend is absolutely right. It is not just a question of buildings; it is a question of the support that we offer to families and parents. Is my hon. Friend not

[Andrew Gwynne]

amazed that the Conservatives have made no mention of, for example, the education maintenance allowance, from which thousands of children with special educational needs are benefiting?

Jacqui Smith: As my hon. Friend implies, Conservative Members are to an extent in a state of flux. A policy response that is solely about reviews fails to recognise the real needs of our children.

Mrs. Laing: Does the Minister agree that even if the present system of statementing is well intentioned, it does not work in practice? Can she tell us how many children to whom statements have been issued when it has been accepted that they need a certain level of support do not receive it in practice? In practice, parental choice and statementing do not work.

Jacqui Smith: Of course we need a process that enables us to determine where resources should be allocated to reach the children with the most severe special needs. That is the function of statements. We also need—and have—a robust system of appeals. In the most recent year the number of appeals to the Special Educational Needs and Disability Tribunal fell slightly, but it is important that such appeals are possible. I agree that we need to make improvements to deal with the bureaucracy surrounding statements, and we shall do so.

John Bercow: A few moments ago the right hon. Lady was airily dismissive of buildings, but the facilities in buildings are of the essence. Does she accept that, as a matter of principle, it is simply wrong that, for example, girls with physical disabilities should have to share loos with male staff? That is currently happening in a mainstream school in my constituency.

Jacqui Smith: I am never dismissive, airily or otherwise, of points made by the hon. Gentleman. I do consider that situation unacceptable. The Government's schools access initiative, which includes investment of £300 million over the next three years, is making a crucial contribution to ensuring that mainstream schools really are accessible. I am sure that the hon. Gentleman supports that extra investment.

I was talking about parents. We must ensure that an appropriate balance is struck. When any parent of a child with special needs states a preference for a special school, there is no presumption of inclusion in a mainstream school. Instead, the local authority must recommend the placement on the basis of the usual criteria: the child's needs, the needs of other children and the issue of resources.

I agree with the hon. Member for Witney: parents should, by regulation, be given information about mainstream and special schools when a statement is being considered. Through the 2001 Act, we have ensured further support for parents with the requirement that every local authority must have a parent partnership service. What parents really want is an assurance that their children can achieve their full potential, and are supported by well trained staff with the resources that they need to make the most of the opportunities that a school and curriculum can offer. That does not come about by accident. It does not exist only in special schools or in mainstream schools. It comes about because a Government are willing to invest in capacity to ensure that it happens.

Annette Brooke (Mid-Dorset and North Poole) (LD): What is the Minister's response to the survey by Her Majesty's inspectorate mentioned in the annual Ofsted report? It found that in cases of inclusion a significant number of children with special educational needs were not achieving all that they could.

Jacqui Smith: The timing of the hon. Lady's intervention is lucky, as I am coming to precisely that point. She is right: the proof of the system, the evidence of success, must lie in improving outcomes and raising attainment for children with special educational needs. We have done well in that regard. The Ofsted report shows that the proportion of pupils with special educational needs who are judged to be making good progress in mainstream primary and secondary schools has grown significantly in recent years—from 54 per cent. to 73 per cent. in primary schools between 2000 and 2003, and from 43 per cent. to 71 per cent. in secondary schools over the same period. We know that there has been progress, but we also know that there is more to be made.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Does the Minister acknowledge the concern expressed by Conservative Members earlier about the lack of training available to teachers in mainstream schools? Grangewood school in my constituency has set itself up, on its own initiative, as a centre of excellence offering training to all schools in the borough of Hillingdon. It has been swamped with demand. The headmaster says that it has only been able to scratch the surface of that demand, while at the same time having to deal with the real challenge of a falling roll as a result of the government's policy. Should we not be supporting such centres of excellence rather than undermining them?

Jacqui Smith: Yes, we should, and I shall explain how we are doing so.

As I have said, we are making progress but we need to make more. That is why we are working, through the national strategies and through our response to the Tomlinson report, to encourage schools to personalise the curriculum. It must be accessible to all children, so that it provides all children with the best possible learning. That is why we are investing in our children, and not simply through the additional £1,300 per pupil that will have been invested between 1997 and 2007–08. This year there has been a 7.8 per cent. increase in local authority spending on special needs. That is why—here I come to the point made by the hon. Gentleman—we need to build capacity in the teaching and education work force.

We recently commissioned the Teacher Training Agency to produce a £1.1 million package of work to improve quality and choice in special educational needs training for teachers. We are working to provide a more effective continuous professional development and career path for teachers and special educational needs co-ordinators, and for heads. There are already many

good, indeed inspirational, teachers working in the special needs field, and we need to ensure that their expertise feeds through to others. We have made an important start by providing 135 advanced-skills teachers who specialise in special educational needs to advise and support less experienced colleagues, 50 of whom are based in special schools.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Many of us acknowledge the increased investment in special needs, but according to the head teacher of a special school in my constituency—Penmaes school—because of the Tory Government's lack of investment in training special needs teachers and other specialists such as therapists, it is very difficult to secure the skills and deliver on statements.

Jacqui Smith: The hon. Gentleman will, I am sure, be pleased to learn that there has been an increase of nearly 35 per cent. in the number of speech and language therapists since 1997. Even more significant, the number of training places has increased by the same amount.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I thank the Minister for finally giving way to me. Is she aware of a report by Committee D of the British-Irish Inter-Parliamentary Body, on which I serve? The report, which was published this week, deals with special educational needs provision throughout the British Isles, including the Republic of Ireland. May I ask the Minister to study it in detail? It contains excellent recommendations, particularly on special educational needs provision for children with autism. I think that she would find it useful in the context of this debate.

Jacqui Smith: I assure my hon. Friend that I will look in detail at that matter and that we will respond to that report. From my preliminary reading of it, it contains some important points about how the health and education sectors work together to ensure provision for autistic children. I am sure that he will welcome the focus on autism in the national service framework for children as a particular example of how we can achieve more.

I promised to respond to hon. Members about how we are investing in schools themselves, including special schools. We have made it clear that special schools continue to have a vital role in catering for children with the most complex needs and in working more closely with mainstream schools to share their expertise. The hon. Member for Epping Forest (Mrs. Laing), who is not in her place at the moment, made an important point in that regard. Some in the debate want to characterise special schools and mainstream schools as being poles apart—as two ends of the spectrum. In fact, they should be two sides of the same coin, working in partnership. Beaumont Hill school and technology college in Darlington provides outreach services to mainstream schools for children with autistic spectrum disorders and severe learning difficulties, and has an advanced skills teacher working with other schools across the authority, making provision for children with behavioural, social and emotional difficulties, supporting children and providing a local alternative for mainstream schools.

Mr. Cameron: The right hon. Lady has repeated what is in the document "Removing Barriers to Achievement", which says that we only want to see special schools providing education for children with the most severe and complex needs. Is she saying that schools for children with moderate learning difficulties do not have a future?

Jacqui Smith: I was spelling out precisely what that future should be. Schools should work in partnership to ensure that children increasingly benefit from being in mainstream schools. There is an important role for special schools working in partnership, sharing expertise and making a base for good-quality provision. I was explaining not only how that is an aspiration but how, through our investment, we are ensuring that that happens.

We are ensuring, for example, that the benefits and contribution of the specialist school programme are extended to special schools. In December, we announced the setting up of 12 trailblazer special schools with specialist status to act as centres of excellence for just that purpose. We have also announced—this relates to the point that was made by the hon. Member for Buckingham (John Bercow)—that, under our building schools for the future programme to provide 21st century buildings and facilities for all secondary-age pupils, we will provide an additional £66 million this year for special schools alone. That is part of £284 million over the next three years. That is evidence of this Government's commitment—

Gregory Barker (Bexhill and Battle) (Con): Will the Minister give way?

Jacqui Smith: No.

That is evidence of this Government's commitment to the continuing role of special schools. The fact is, as we have heard, that when the Opposition were in power, there were 234 closures between 1986 and 1997, an average of 27 a year. Since then, there have been 93 closures, an average of 13 a year. The percentage of children in special schools has increased over that time, which seems to suggest not only that we are supporting both mainstream and special schools, but that we are ensuring that parents are able to choose between them.

Gregory Barker: The Minister has just mentioned the sum of money that is set aside for building new special schools. How much of that money is for building special schools to deal with children with moderate learning difficulties?

Jacqui Smith: That money is set aside not simply for building new schools but to ensure that those schools that are in existence get the sort of resources that they need. That, of course, includes special schools for moderate learning difficulties where that is the priority—*[Interruption.]* I know that the theme of Conservative Members today is that Whitehall should decide all, but this is a decision for local education authorities, given the decisions that they are making within the building schools for the future programme.

The other theme of this debate and of the approach of the hon. Member for Witney is that we need a review. In recent years, there have been major reports on special educational needs from both the Office for Standards in Education and the Audit Commission, which sought the

[Jacqui Smith]

views of parents. We have consulted widely on the development of our special educational needs strategy in the context of those reports. We carried out a separate review of the role of special schools, again with input from parents. The special schools working group made the specific recommendation for the audit.

The hon. Gentleman was slightly dismissive of the special schools working group. Perhaps he would have been less dismissive if he had understood that, out of the 15 members on that group, nine were special school representatives and parents. This Government listened to the recommendation that they made. The recommendation was for the audit and we are taking that forward.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does not my right hon. Friend agree that the comments by Baroness Warnock in her report are a shock to the system to anyone looking at the matter from outside—I say that as someone who does not have great expertise in special educational needs? It is a shock to the system that someone of that esteem in this area, the author of an original report, has made such a change in her assessment.

Jacqui Smith: Baroness Warnock has made an important contribution to the debate in this area over the years, both in her original report and in the latest one. One of the crucial points that she makes is that, in order for us to meet the individual needs of pupils, in whatever setting they are in, we need to ensure that the resources, the staff and the individual flexible provision are there for them. That is what the Government have been focusing on and will continue to focus on.

The Opposition's call for a new review suggests that they are asking us to ignore all the work that has been done up until this point. What new evidence do they think that that would produce? I know that this is a period of navel gazing for the Conservative party, but surely the time is right to get on with making further improvements in what children and parents need, not to start another review.

What is happening in practice is that local authorities are reorganising their provision to meet changing patterns of need. While some special schools may be closing, others are opening. Specially resourced provision is being developed within and alongside mainstream schools. Through the excellent able autism unit in Kingsley college in my constituency, students get the opportunity both to join national curriculum lessons where that is appropriate and to have the particular resources that they need.

A moratorium on the closure of special schools would prevent local authorities from redeveloping their special educational needs provision to provide such win-win solutions. That is perhaps one of the reasons why local authorities such as Wandsworth, Essex and Dorset are not heeding the call by the hon. Member for Witney for a moratorium. He will need to ensure that his policy proposals are more influential in his own party if he is going to be anything like a convincing leader.

The Government want to move forward, not backwards and we have the right building blocks in place. Our removing barriers to achievement strategy sets out a long-term programme of action to improve early intervention for children with special educational needs, to build the capacity of our schools and staff who work in them, to meet the wide range of needs in today's classrooms, and to promote much closer working between education, health and social services, so that children and their families get the help that they need in a joined-up way, rather than having to tell their stories to a range of different people.

Mr. David Chaytor (Bury, North) (Lab): Is not the flaw in the Opposition's argument that, by simultaneously calling for a review while determining that inclusion has gone too far, they have prejudged the outcome of any review? By determining that inclusion has gone too far, they are restricting the very flexibility and choice for parents that they claim to support.

Jacqui Smith: My hon. Friend has ably pointed out the incoherence of, and inconsistency in, the Opposition's approach. In my view, we need now to get the management of special educational needs right at local authority level, so that needs are met, parents have real choices and standards are improved. We have put a team of SEN advisers in place to help local authorities to build capacity and to implement best practice. Our SEN regional partnerships are bringing local authorities together to improve provision in every single English region, and we are making available the investment and capacity to ensure that that happens.

I commend our amendment to the House, and I hope that all colleagues will join me in seeking to improve outcomes for children with special educational needs and their families.

2.20 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I welcome the fact that we are debating the important issue of special educational needs, which is not debated often enough in this Chamber. I am pleased that the Minister has broadened the debate to cover all aspects of SEN, and not just existing buildings. That was an important move, and I hope that my remarks will continue in that vein. At the end of her speech, she mentioned the percentage of children in special schools, and if I heard her correctly, she said that the number has increased. Perhaps I am talking about a different period from the one that she referred to, but according to her 10-year strategy, the percentage has gone down: from 1.5 per cent. in 1983 to 1.1 per cent. in 2004. Perhaps her ministerial colleague can clarify that for the record later on.

In my first speech as education and skills spokesman for the Liberal Democrats, I need to pay a short tribute to my predecessor, my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis). He brought to that role 20 years of experience and understanding, as a former headmaster of secondary schools in Yorkshire. Indeed, he brought far more than that. He brought passion about education and made a real contribution to the education debate in this House. I know that he will continue to do so, and I am grateful to him for his advice and for his policy legacy.

I would have liked to congratulate the Secretary of State for Education and Skills—if she were here—on her reappointment. We did in fact know each other before

we entered this House, and we have discussed many policy issues in the past. I was also the student of her new ministerial colleague from No. 10, Lord Adonis. I gently advise her and other Education Ministers to challenge his latest theories and allegiances, as he has a tendency to change sides mid-way.

I am not sure how long the hon. Member for Witney (Mr. Cameron), the latest Notting Hill star pupil, will be in the class to learn—he has "head boy" elections to participate in. I did not expect him to start canvassing today, but he has. To be fair to him, he has done the House a service today. He introduced an important subject and spoke with balance, sincerity, conviction and understanding, and with the feeling that comes from his own experience. That was helpful.

Mr. Khan: Has the hon. Gentleman had the benefit of reading a recent article in *The Independent*, in which a contender for the Conservative leadership talked about his party being a compassionate party that believes in parent power? He also said that he will support parents whose SEN schools are being closed down. In the light of that, is the hon. Gentleman surprised that the current Conservative leader has offered no messages of solidarity with those schools in Wandsworth that are being closed down by its Conservative-run council?

Mr. Davey: Not particularly, but I will deal with that point in due course.

Whatever our disagreements on policy—we will doubtless have many—I want to acknowledge that the hon. Member for Witney has helped to put this subject on the political agenda, which is quite an achievement. He talked about the problems in the system and about the human side, on which he was right to focus. For many years, there has been a huge and unmet need for such provision, and some disturbing statistics suggest that that need is growing. The hon. Gentleman pointed to the strategy paper, which suggests that the Government think that numbers will decline as more such children go into mainstream schools. However, the demographics suggest that the need for SEN provision is increasing.

Of course, the existing state system does provide excellent provision for many—indeed, in some cases it is superb, innovative and cutting edge—but many others experience huge frustration in trying to deal with it. I shall name three such problems, the first of which is the delays that parents experience in getting the initial assessment for their child. The Government's strategy in recent years talks about early intervention, but that is a bit of joke, given that it can take months—sometimes years—to get an assessment. When such statements do come, increasingly, they are worded imprecisely, so that the local education authority and any other providers can wriggle out of their legal duties. That gives cause for concern, and even when there is a precise statement based on a decent assessment, parents often find it difficult to enforce those rights. So the system is not working.

There are inherent problems in dealing with this challenging issue, given the extreme variety of special educational needs. As the volte-face by Baroness Warnock has shown, one can have a change of heart, and people can have different opinions on this issue. I should point out to the hon. Gentleman that the debate concerning special schools versus inclusion is something of a false debate. We need both, and we need to reach a consensus on that point. We need to explore the different forms of inclusion and of special schools. We need a continuum of provision, involving co-location and special units, for example.

Tom Levitt: I am sure that all of us sympathise with the hon. Gentleman's comments about parents and their relationship with statements; indeed, we learn of such problems from our postbags every day. But does he not agree that bodies such as parent partnerships already exist precisely to tell parents that they are not alone, that they need not reinvent the wheel, and that they do have friends when it comes to understanding and implementing statements?

Mr. Davey: I am grateful for that intervention. I was about to explain how I have come to understand a little of how the system works, not as a parent, but as a constituency MP. I am familiar with such parent partnerships. Sometimes they work, but often, they do not. In my first few years as a Member of this House, many parents—angry mothers, in the main—asked me to help them with their case. Trying to help was frustrating, because we came up against the brick wall of bureaucracy, which was strengthened even by the parent partnerships. The frustration was so great that I decided to get the parents to help themselves, and we set up a support group in the constituency called the Kingston special needs project, whose website I recommend. That group helps parents to get through the minefield of the system. It provides extra support, and parents regard it as more independent than parent partnerships. I acknowledge that such partnerships suit many parents, but many others do not benefit from them. We need to look at other ways of helping them.

Mrs. Dorries: I am grateful to the hon. Gentleman for giving way, given that he has spent much of his allotted time talking about old friends. Does he agree that although parent partnerships and the support networks do a very good job, they do nothing to help children who are being statemented to get the places in special schools that they need? In fact, some authorities are minimising the problems that such children have, in the knowledge that once they are statemented at a certain level, there is nowhere for them to go.

Mr. Davey: I am grateful to the hon. Lady for that intervention and I am coming to that issue. My experience in working with such parents and in setting up the self-help group showed me that there are two systemic problems. First, the system is adversarial. It creates hostility, and for some of the reasons that the hon. Lady alluded to, there is lack of trust. Secondly, links between education, health and social services still do not really exist. Ministers will say—as the Minister did in her opening speech—that the 10-year strategy, "Removing Barriers to Achievement", will tackle all these problems, and that the rather narrow audit will add something to the process. But on reading that strategy and examining how the audit has been set up, I doubt whether those policies will address the system's adversarial nature and the need to link services together.

[Mr. Davey]

The adversarial system is, by and large, built around the statementing process. In law, the statement is supposed to provide the rights. Parents battle for statements, and LEAs battle against them to avoid the expenditure that they involve. Appeals are made, solicitors are engaged and experts are consulted. It is probably a familiar, if rather depressing, story for many Members, and certainly for many parents.

The strategy, it seems, is a gradual one: the Government want to create a parallel system where there are some children on statements, but many others taken off or denied statements. The Government are also trying to adopt other policies, such as early intervention, to persuade parents that their children do not need statements, so that they do not need to go through the process. If they can convince parents and win back their trust, that might be reasonable, but the policy has one basic flaw: what happens about the manifest problems of the statementing process in the interim, before new Labour has built the new Jerusalem of perfect SEN provision without a plethora of statements? There is already a problem now, as there seems to be a set of unannounced policies that are undermining the statementing system even before we reach the new Jerusalem.

It is becoming a widely held view that SEN tribunals have been got at and that the Department is increasingly reluctant to put pressure on local authorities to investigate complaints against LEAs that are not performing their legal duties. It is almost as though Ministers want to act as if the statement system has already gone or its terms reduced, but that is not good enough. Ministers are doing little or nothing to improve the statementing system because they want to see it wither on the vine.

Mr. David Heath (Somerton and Frome) (LD): There may be another unannounced policy—to create a chaotic system for the training and professional development of educational psychologists. In due course, that will result in there not being the requisite skilled professionals to do the job in the first place.

Mr. Davey: My hon. Friend is absolutely right.

Ministers must tackle these problems. It is their duty to set the national policy framework, but I believe that they are undermining it. I am afraid that they must recognise the problems that LEAs are facing. Spending on special needs is rocketing and the type of spending that councils adopt is difficult to control because some special needs provision comes unexpectedly and cannot be planned for. A family moves to a particular local authority area and overnight there may be a huge increase in expenditure requirements. That is what creates the tension and that is where the hostility and frustration lie. Faced with budget pressure, we all know what LEAs will do: they will build in a culture of saying no, of creating delays and of trying to undermine parents' ability to get statements.

Liz Blackman (Erewash) (Lab): Rhondda Cynon Taff LEA gave a presentation to the all-party group on autism. It runs an inclusion policy for children with autism spectrum disorders across the board and there is virtually no statement. Statements provide a lever for parents to try to secure provision. What the Government are trying to and will do, I believe, is to create the capacity and invest the resources so that provision is there. The Government are right to do it that way round and to meet the needs of parents in that way, rather than push desperate parents through a statementing process. I admit that it takes time, but it is happening in some parts of the country.

Mr. Davey: I acknowledge that it is happening, as the hon. Lady says, in some parts of the country, but in many other parts of the country it is not. In those circumstances, statementing is the only thing that parents have to look after their children now, here, today when they need special education. What the hon. Lady says is not an excuse for the Government failing to take action to improve the statementing system.

The articulate and determined parents know that the law is there and some of them have the cash to help their children get statements, but what about the parents who do not know about the law and who do not have the cash? What about their children? By putting our heads in the sand about the statementing process now, we are denying the rights to education of a generation of children, which is simply not good enough. Ministers cannot ignore those problems and sit around waiting for the 10-year strategy to work—if, indeed, it does work.

So what is the solution? Let me be honest: I have been in this job for just over four weeks, as has the hon. Member for Witney. I have just a few gut instincts about where the solutions lie; I do not have a blueprint. We put forward our policies at the election—smaller class sizes, more investment in teacher training, promoting special schools as centres of excellence. Those are all in place and I believe that they would all help. Nevertheless, as I read the Government strategy and talk to parents, I become convinced that more is needed. That is why we think that a comprehensive review is required. Unlike the hon. Gentleman, I do not have a soundbite answer about a moratorium, but I shall put forward some of my first thoughts now and I hope that the Minister will respond to them in kind and with kindness as there may be quite a few flaws—but here they are.

First, should not the assessment process for a statement be managed by an independent organisation—independent of local government, independent of national Government and independent of any of the providers? Preferably, it would be managed by a multi-discipline assessment centre with health and education professionals sitting around the table, working together and conducting the necessary tests in one or just a few days. The independence would remove the conflict of interests for the LEA and restore parents' trust. The one-stop centre approach would cut the horrendous delays and facilitate the early intervention that, to be fair, is at the heart of removing barriers to achievement.

Parents will still want to challenge independent assessors through existing mechanisms, but there would surely be far fewer challenges, which would cut down on the bureaucracy of appeals and all the waste of time and money that goes with it. I would genuinely welcome the Minister's response to that idea and in a spirit of open debate I would be pleased to hear the downsides of the proposal.

My second instinct on getting solutions is that we should look more carefully at the expensive side of special needs provision, as the Government are doing in the audit. We have heard a lot about that today and I welcome it. High costs are one of the key factors driving the hostility in the system, as local bureaucrats are worried that a statement may lead to an expensive provision. Ministers will doubtless say that the audit will look into best practice and seek ways of avoiding duplication and pooling resources. That is all well and good, but we must ensure that decisions reached by the audit can be questioned and not just taken by unaccountable quangos. The SEN partnerships want to ensure that any decisions coming from the audit are accountable.

My idea is that the audit could be broadened. Could it not consider the idea that the costs of the very needy and expensive cases be transferred from the local authority's budget to the Department's budget? That would be a small centralisation, I accept, but an acceptable one because it is potentially liberating for local authorities and would enable them to plan their budgets more effectively. I do not know whether that would work. We would need to ensure that it was not a recipe for the councils passing the buck, which is where my idea for an independent assessment would kick in. National funding would be triggered only by an independent assessment that judged a child's needs as being above a certain threshold. There would be a real prize in that local authorities could focus on the needs of the less severe special needs children, which they should then be able to manage because of their greater certainty about the budget. There would also be much less friction with, and distrust by, the parents. Again, I hope that the Minister will respond positively.

I mentioned a second systemic problem with statementing. To be fair, the 10-year strategy begins to address, but does not solve it. I am talking about the importance of multi-agency working. I accept that it is happening on the ground. In my own constituency, Kingston council set up with other partners a joint system for children with disabilities, but I have to say that it is slow, particularly in getting health providers around the table. One of the reasons for that lies in Whitehall, because Whitehall has not told the local health providers to make the joined-up approach a priority. I am not one for too many targets—I am not keen on the NHS target culture—but it seems that Health Ministers are developing targets for health providers without giving them a target for this particular aspect. I believe that Education Ministers should have a word with Health Ministers to join up the approach in Whitehall.

Ms Angela C. Smith: Does the hon. Gentleman not understand that "Every Child Matters" and the introduction of integrated children services is exactly the signal needed to help providers work in a joined-up way on special needs and all other children's services?

Mr. Davey: That is what I said, if the hon. Lady was listening, but my point was that the people working at the grass roots to make that happen are being prevented from doing so because the Government in Whitehall are not joining up their actions, targets and policies. That is what local agencies are telling me.

There are many other issues in the SEN debate that could be mentioned—the need for more specialist teachers, the need for more teachers in mainstream schools to be trained on special needs and so forth—but I need to focus on the core issues raised by the hon. Gentleman, since it is his debate. Above all, I want to concentrate on his call for a moratorium on the closure of special schools. I confess that, initially, I was much attracted to that idea, which has the virtue of simplicity. It also has the good political virtue of promising much but delivering little. I do not know whether those are virtues that the hon. Gentleman prizes—perhaps we shall see—but the debate has shown already that this non-policy is unwinding fast.

To start with, we have heard many examples of Tory authorities closing special schools, both now and in the recent past, despite that party's so-called national policy. My list includes some of the schools that have been mentioned, and it turns out that many Conservative councils do not agree with their national spokesman. We have heard about Worcestershire, but what about East Sussex? In the constituency of my hon. Friend the Member for Lewes (Norman Baker), the Tories are closing St. Anne's school. What about Tory-run Wandsworth, where Chartfield school in Putney and The Vines school in Battersea are being closed? What about Tory-run Hampshire, where the Hawthorns school in Basingstoke is being closed?

Does the hon. Gentleman have an answer to those questions? Before he gets up, I advise him that I will be looking at his answer to see whether he is able to ride those two horses successfully. At one stage in his speech he pointed to Gloucestershire, where the Tory authority has been able to keep schools open, or reopen them. On the other hand, however, he defended Conservative councils and said that the problem was all the fault of national Government. Which is it?

Mr. Cameron: The hon. Gentleman is making a very good speech, and I agree with much of what he has said about statementing. However, he said that it is worth considering taking statementing away from LEAs and that we need to widen the audit of special schools. I think that he accepts that some of the guidance that I have quoted is not right, so would not it be better to have a moratorium until we have sorted the matter out?

Mr. Davey: No, for a whole set of reasons. The hon. Gentleman demonstrated his inconsistency on this point when I challenged him earlier in the debate. I asked whether he agreed with Baroness Warnock that some special schools were failing and needed to be reorganised, and he said that he did. Is he saying that if he were a Minister he would impose a national moratorium from Westminster? That would stop sensible reorganisations that improve education, that have been widely consulted on and which have the support of parents. The hon. Gentleman's contention is absolute nonsense.

The hon. Gentleman poses as a moderniser and reformer. Those Conservative Members on the Back Benches who support him talk about decentralisation and a relaxation of the grip of national Government, but then he shoots off in the other direction and says that he wants Whitehall to interfere. That does not wash, and he has been found out.

[Mr. Davey]

We must remember that the whole point of this debate is to raise standards. Ofsted has found that some special schools are failing. The figures show that special schools are three times more likely to require special measures. That should worry us. There are many brilliant special schools, and I have three in my constituency—St. Phillip's in Chessington, Dysart in Surbiton and Bedelsford in Kingston—but other colleagues tell me that they have special schools in their constituencies that are not working so well. I think that the moratorium idea would get in the way of sensible local decision making, and that it would therefore be a mistake.

The hon. Gentleman has missed a huge opportunity by going for the soundbite policy. He could have joined me in criticising the Government about things for which they really are responsible—for example, the "Department for Learning and Skills" itself. I and many others believe that the Department is not fulfilling its role in investigating complaints against LEAs about their conduct of their SEN duties, and that it is not enforcing the law.

Section 497 of the Education Act 1996 provides that people can make formal complaints to the Secretary of State when they believe that an LEA is acting illegally, and that the Secretary of State can intervene in such matters. However, the section of the Department that deals with such complaints is woefully understaffed, judging by the time taken for investigations and by the inability to enforce the law. That is why our amendment calls for a National Audit Office investigation, so that we can ask an independent body to look at what is really going on. Failing that, I hope that the Select Committee will address the matter.

The hon. Gentleman also failed to set out positive policies for special schools in his speech. We Liberal Democrats have shown our commitment to special schools, as our policy is to build them up as resource centres to support local schools in their specialist provision. We think that special schools could be linked to university research departments, so that they could benefit directly from—and be involved with—the latest research in special education. That model has been used in America very successfully.

Perhaps we should excuse the flaws in the policy espoused by the hon. Gentleman, partly because we all know that he is a man in a hurry. More charitably, we could say that he has helped catapult the issue of special needs up the agenda, and I pay tribute to him for that.

When the Under-Secretary of State for Education and Skills, the hon. Member for Liverpool, Garston (Maria Eagle), winds up the debate, I hope that she will not be complacent and make yet more attempts to claim that all the problems have been dealt with in the strategy. They have not; and it is time that the Government thought again.

Mr. Deputy Speaker: Order. I remind hon. Members that Mr. Speaker has placed an eight-minute limit on all Back-Bench speeches. That limit applies from now on.

2.44 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): The debate has been most interesting and informative. That is due in part to its subject, and in part to the fact that the general election is now in the past. Education debates are inevitably rather partisan and nasty in the run-up to an election, but today's debate has been good.

I welcome the hon. Member for Kingston and Surbiton (Mr. Davey) to his post. I thought that his speech was very good, and my only slight resentment is that he gets three times as long as someone who has been chairman of the Select Committee on Education and Skills for quite some time and who aspires to do that job again. However, I have eight minutes and I will try to use them well.

I begin by confessing my relevant ignorance of this subject. In my time as Chairman, the Select Committee has not looked at special educational needs or special schools. Those matters were on our list but we have not got around to them, as other pressing topics demanded our attention. However, Baroness Warnock's speech and new paper lead me to believe that, if I have anything to do with it, the Select Committee must make this matter a very high priority.

Sometimes I wish that parliamentarians had more confidence in their own institutions. Select Committees provide a very good vehicle for cross-party investigation of matters such as this. The hon. Member for Witney (Mr. Cameron) called for independent reviews by the NAO and for Government intervention, and even Baroness Warnock said that there should be an independent element. One gets a little tired of that, as matters such as this are perfect for investigation by the Select Committee, which always provides high-quality reports.

I congratulate the hon. Gentleman on choosing this topic for today's debate, and I know that he has a great interest in it personally, as do I. However, if I were to be critical I would say that his speech was spoiled by his determination to find a gimmick. In this case, his gimmick was his call for a moratorium. The hon. Gentleman is quite a sensible man, and wants to lead that dreadful bunch over there—a possible contradiction in terms.

Imposing a moratorium would stop what we are doing in Kirklees. Some of our special schools were housed in pretty awful buildings, with bad accessibility. I would not want any child to be educated in those circumstances. We are closing some of those schools and providing buildings that offer the same capacity but which are modern and pleasant and with a nice environment for being taught in. I would hate that process to be stopped. Many local authorities around the country are undertaking similar improvements.

Labour authorities have closed quite a few schools, although Conservative ones have closed more. However, authorities of all parties have closed schools for very good reasons. There has been a history of neglect in special school provision, and the ethos was that Victorian buildings were good enough for such schools. The priority was always to provide modern buildings for the other types of school. Although I think that the moratorium proposal is wrong, I applaud the fact that this matter has been drawn to the attention of the House and that it now has a higher profile.

I have done a little bit of homework on this matter, mainly by reading Warnock, old and new. I also looked at what Ofsted said about special schools, and determined how much attention the Department paid to the matter in its most recent annual report. I remind the House of what Ofsted reported in respect of SEN provision and inclusive schools. It concluded that the proportion of SEN students in mainstream schools has not been affected by the inclusion framework, and that there were real difficulties in integrating pupils with social and behavioural problems. It added that there was a real conflict between meeting individual educational needs and "efficient education" for other children.

The Ofsted report also found that between 2001 and 2003 there had been a 25 per cent. increase in the number of pupils in referral units—that is, units to which children can be removed from mainstream classes. It reported a wide variation in the quality of teaching offered to pupils with SEN, and that mainstream and special schools remained far too isolated from one another. That seems to make a pretty good case for the Select Committee considering the issue forensically. The DFES's 2004 departmental report contained a section on SEN, but this year's report includes only two passing references—so the Department needs our help, and I hope that we will be able to give it.

In the short time available, I want to put such things in context. We are all guilty—are we not?—in education, as in any other policy area, of being victims of fashion. We get swayed by a fashion, and when a fashion is really pervasive and even pernicious, we do not even know that we are part of it. I remember naming our first daughter Lucy, without realising that the world and their wife were also choosing the same name at the same time. One year, the name "Lucy" did not figure at all in the "most favourite" list in *The Times*; the next year, the Perks in "The Archers" called their daughter Lucy. Hon. Members will notice that all my other children have very strange names.

When we are part of a fashion, we are pushed this way and that by it. Every party in the House was swayed by the fashion of inclusion, of which the original Warnock view was part, and it has continued to be a very strong fashion. It is partly based on the truth that many of the people who come to me as their Member of Parliament are terrified that their children will be designated as different in any way. They want their children to go to a regular school, in a regular class, and they do not want any statement or any label to be put on their children.

Another group of people come to see us as Members of Parliament, and they desperately want special attention, desperately want a statement and desperately want their children to go to special school if that is appropriate. That is the truth of the matter, and I do not know which sort of parent will turn up when I hold a constituency surgery; but, normally, one or other of them does.

We have got to get the balance right, and enough evidence can be found in the reports that have already been written to say that there is a real worry about special schools and a real concern about statementing. How many of us do not know that there is a long wait for statements? There is a long wait to see an educational psychologist—and people do not even dream of seeing a clinical psychologist. If the problems are really deep, people can wait 14 months in Kirklees. I do not know how long the wait is in other areas. So there is a problem, but it is not one that should divide the parties or politicians. We should put our hand very quickly to holding a good Select Committee inquiry, to which all parties can give evidence.

2.52 pm

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to follow the hon. Member for Huddersfield (Mr. Sheerman). I urge the Government Whips to set up the Select Committees as early as possible. I would certainly be very pleased if the Opposition Whips allowed me to serve on the Select Committee on Education and Skills, and I would have great pleasure in voting for the hon. Gentleman as its Chairman.

I share something with the hon. Gentleman: I was not very knowledgeable about the subject until I became a candidate in the Forest of Dean, where it was a prominent local issue. We had two special schools—Dean Hall and Oakdene—that were closed by the former administration in Gloucestershire. There was a consultation exercise, although it appeared to be consultation in name rather than reality, and during that process I met a huge number of parents who spoke eloquently at public meetings in arguing the case for proper provision for their children. One thing that struck me was being told that there were 16,000 children with some kind of special need in Gloucestershire. 15,000 of whom were already being educated in mainstream schools. That seemed a pretty good record of inclusion, with 1,000 pupils being educated in some kind of special school.

The administration wanted to go further by pretty much getting rid of moderate learning difficulty provision and moving all those children into mainstream education, whether or not that suited them. To an outside observer, that process appeared to be driven by ideology, rather than by looking at the evidence. The head teachers at both the special and mainstream schools opposed the policy, as did the teachers and parents. Even some children spoke up against the policy at those meetings. The former administration in Gloucestershire refused to listen.

The most shameful thing was that the then portfolio holder for education took the decision to close those schools without even having the courtesy to visit them while they were in operation or to meet the teachers and pupils to see them in action. That is a lesson for politicians. If we are taking such decisions, we have an obligation to visit institutions before doing so. The same decision might still have been taken, but at least it would have been done in full possession of the facts.

In the Forest of Dean, the two special schools—Oakdene and Dean Hall—will be closed in September. A new special school—the Heart of the Forest community special school—is under construction and will start operating in September. It is specifically designed to cater for children with severe learning difficulties, profound multiple learning difficulties and complex needs. I am sure that it will provide an excellent education for those children, and it has my full support.

The problem is that there will be a gap in provision for those children who have moderate learning difficulties and who were previously supported at Dean Hall special

[Mr. Mark Harper]

school. They will have no option but to go into the mainstream. Many have tried the mainstream before, and they have been failed. A lot of the children at Dean Hall special school—this is one of the key points made by their parents—have tried mainstream education before and it has failed them, and their parents have therefore sought special school provision. I am concerned that, come the autumn, those children will have no other option.

The Minister for Schools said that Conservative Members were fixated on buildings and institutions. I do not think that that is right. I was struck very powerfully by the fact that, although both the schools to which I refer had relatively poor-quality accommodation, the essence of the school was shown by the head teacher's leadership, the quality of the staff and a lot of the voluntary work done by the parents. That is what makes the school. Clearly, it is much better if the quality of buildings and physical equipment is high; but that, in itself, cannot compensate for a lack of high-quality teaching or high-quality leadership by the head teacher.

Another thing that struck me was the fact that because most children with moderate learning difficulties are already in mainstream education, as evidenced by the figures that I gave earlier—15,000 out of 16,000 children with special needs—those children with moderate learning difficulties who remain in special schools are likely to be at the more challenging end of the spectrum. They are likely to have needs that are more difficult to meet, and they are therefore unlikely to be successful in mainstream schools.

A further point worth mentioning is that we talk about inclusion, by which we often mean inclusion in mainstream schooling. It is also worth thinking about what happens to children after they finish their education and how well they are included in society. One advantage of special schools is that, because they are much smaller, they can give much more personal attention to children in their last few years at school and to how they get those children into higher education, further education or meaningful employment.

I was struck at Dean Hall by how children in their last couple of years of education received personal attention from the staff, who looked for a proper route out of that school for the children, whether into local further education provision or work with a local company, or by moving to Gloucester to attend Gloscat—Gloucestershire College of Arts and Technology—or another education institute. Secondary schools may be much larger—perhaps with 1,000 or 1,500 pupils—and my experience of mainstream schooling suggests that that type of inclusion in society will not be as successful as specialist provision.

Some of Baroness Warnock's statements have been mentioned already, and I was also struck by some of them. On Monday 14 June, she said on the "Today" programme that there are

> "a large number of children with special needs who will never flourish in mainstream schools."

I agree. She has proposed a system of special schools that can serve a wider variety of needs than just those of pupils with severe learning difficulties. She wants to include autistic children and to ensure that those schools would be small enough to provide a reassuring and personal environment for emotionally vulnerable pupils. I support her in that case, too.

Finally, it is important that we listen to parents. They have to care for their children 24 hours a day—that is especially true for the parents of children with severe learning difficulties—and they know their children best. During the consultation in my area, I realised that those parents have enough on their hands without having to fight a battle to get their child into a special school and then to keep that school open. We should fight that battle for them in the House, and that is why I commend the motion.

3 pm

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): The whole House welcomes the opportunity to debate this issue, and it is good that the hon. Member for Witney (Mr. Cameron) has raised it. We all know that he has a deep personal interest in the issue and commitment to it.

On the other hand, it is a pity that the House will divide on the motion. I suppose that as it is an Opposition day motion, there is not much option, but it seems irrational to divide on the point about a moratorium. A blanket decision imposed on local authorities by central Government would go against the spirit of greater local independence and decision making, to which everyone in the House aspires. It is also irrational because we have no reasonable grounds for saying that there should be a moratorium. Some school closures may have to proceed for good reasons. Nor is there any reason for thinking that the Government are intent on closure per se, so that is an unfortunate point on which to divide the House.

The hon. Gentleman seemed puzzled about the number of school closures. The figures for the 10 years before 1997 and the eight years since do not mean much in themselves, and they show no predisposition to closure. I think the figures are 27 a year during the last 10 years of Conservative Government and 13 during eight years of Labour Government. They show no particular trend.

I want to refer to the situation in Coventry, the city I represent. My fellow MP for the city, my hon. Friend the Member for Coventry, South (Mr. Cunningham) is in the Chamber today. There are local proposals for the wholesale reorganisation of SEN arrangements in the city. When the council introduced the proposals, it pointed out that by law the guidance in the code must not be ignored. It is only guidance, however, and the important thing is how it is interpreted in practice. The guidance refers to "a stronger right" for children with SEN to be educated in mainstream schools. I have difficulty with the use of the word "right" in that statement because it suggests an overriding inclination, irrespective of anything else, to increase inclusion in mainstream schools. As a general point of principle and guidance, I do not argue against that objective but the presumption of a right makes it an obligation for local authorities to achieve it, which could override other considerations. The same pressure, allied to another to which I shall refer later, led the council to propose reorganisation. It stated that the ambition over the next few years was to replace all existing special needs schools

with brand new purpose-built schools collocated on the sites of neighbourhood schools. That may be a good idea, but the presumption that there is only one way to proceed implies that a blueprint will be imposed locally, irrespective of the existing organisation and provision of services.

The proposals are radical. They are out for consultation—although as we all know, things are seldom if ever changed as a result. It is proposed that 11 schools will be reduced to seven and that the capacity for children with special needs will be reduced from 850 to 600. Those are radical shifts. When I spoke to the local director of education, he told me not to worry because there was nothing too dramatic about the proposals and that they would be introduced gradually. I replied that a 30 per cent. reduction in capacity and in the number of schools was considerable by any standards. He then said, "But three of those will go into one school". I said, "Have you any idea of the problems that will cause for head teachers, teachers, and specialist staff in the schools?". He said, "Don't worry, we're not going to get rid of any staff", to which I replied that that would make things even more complicated.

My appeal to the director of education is the same as my plea to the Government. Officials and the Government have become obsessed with structural reorganisation as an end in itself. That applies to foundation hospitals and primary care trusts. Every time we reorganise something we think it will be better but we never leave things in place long enough to judge the results before we move on to another reorganisation. I regret to say that that applied as much to the Conservative Government when they were in power, eons ago, as it does now. There is a continuum of obsession among the officials who administer our affairs.

Mr. Jim Cunningham (Coventry, South) (Lab): Does my hon. Friend agree that in Coventry we seem to be in a state of perpetual reorganisation and that, given the special cases that he has just mentioned, we should be careful how we go about things?

Mr. Robinson: I agree entirely with my hon. Friend, who has great experience as he was a distinguished leader of Coventry council for many years before he joined us in this place.

My appeal is not that we start with a new blueprint but that we consider what exists already and build on it, consistent with the principles and good guidance that the Government have given us. I disagree with the hon. Gentleman; the guidance itself is not wrong.

Two things have occurred since we embarked on the reorganisation in Coventry. First, we have heard Baroness Warnock's new views, which cannot be ignored, although she seems to be going from one clear-cut set of principles, which led us too far in one direction, to another position where she almost seems to be saying that what we did then was no good. Clearly, however, much good came from her first report.

Secondly, a national audit is under way of the situation in local government. That will provide a wealth of information about what is good and what is working. We shall then be able to consider how to improve provision in future. We need to take stock. We need not a moratorium but a period to reflect on where we have done well—as we have done in many aspects. We need to see what is working and to examine the work of specialist teams and how—short of direct inclusion—the relationship between special needs schools and mainstream schools can be improved. All that work could be brought to bear on the reorganisation on which Coventry seems hell bent.

When I put that point to the director of education in Coventry, he again told me not to worry because the authority had anticipated Baroness Warnock's report and had already adjusted its plans. He said that their proposals were bang in line with the views of Lady Warnock. When I asked him, "What about the National Audit Office?" he said that there was not even an audit for what was happening in Coventry. I assured him that I would not criticise the council but that I wanted to ensure that what was done corresponded to what was needed.

Another thing that drives the obsession for reorganisation is the crock of gold made available by one of the Minister's predecessors, who told us that over the next 10 years there would be a complete rebuild of all secondary schools. Local authorities want to seize that crock of gold and build new schools, so the whole reorganisation process is about building. Building is important but it is not the only thing. We need a clear statement from the Government that refurbishment where necessary and appropriate will also qualify for the money. Like extensions and expansions, refurbishment should be part of the programme.

I am grateful to have had the opportunity to speak, and I urge the Government to be clear in their guidance about the form in which the money will be made available and the purposes for which it is to be used, so that there will not be misconceived presumptions in local government that the money should be spent only on new buildings.

3.9 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am delighted to be able to participate in this important debate on special schools and special educational needs. We have had a high-quality debate. I enjoyed the comments made by the hon. Member for Huddersfield (Mr. Sheerman), as I always did was when I was previously a Member of the House. My hon. Friend the Member for Forest of Dean (Mr. Harper) made an excellent speech. I am pleased to support the motion moved by my hon. Friend the Member for Witney (Mr. Cameron), who made a rational and moderate speech. I welcomed his analysis of the situation and his suggestions about how we should approach such an important aspect of education.

I am worried about the Government guidelines on inclusion and their consequences. I was also disappointed by the opening remarks of the Minister for Schools. Much of this Government gives good talk but not an awful lot of action on the ground, when it matters. It was especially telling that the Minister failed to acknowledge the worth of special schools that cater for pupils with moderate learning difficulties or to address their future. The main thing that came out of her speech was the fact that she would not acknowledge that those schools do a wonderful job and are relevant. Conservative Members wish to develop such schools further.

[Mr. David Evennett]

Education was a major issue during the election. People in my constituency with children with special educational needs, statements or special school places were worried about where this aspect of education is going. Much of the debate on education is about aspects of education other than this one, so I welcome the fact that we are debating such an important subject today.

In my years out of the House, I worked as a lecturer in a further education college. That, together with the fact that I am a governor of both St. Paulinus Church of England primary school in Crayford and Townley grammar school for girls in Bexleyheath, has kept me in touch with statements and special needs in mainstream schools. I have subsequently learned quite a lot about the special schools in my borough: Woodside school, Shenstone school and Marlborough school. All do a fantastic job for their pupils, so the teachers, governors and parents must be congratulated on the hard work that they do. My borough is fortunate to have a wide cross-section of different schools offering different provision.

A fact that has not been emphasised enough today, except by my hon. Friend, is that it is pupils who matter most. We have had a lot of debate about buildings and finance, but we must never lose sight of the fact that we are talking about pupils with special needs who need to be developed so that they can have rich and fulfilling lives. We should put the needs of children first. Children are all different, which is why Conservative Members say that we cannot have one size for everyone because we believe in choice and diversity. Despite the good intentions of educationists, when they produce theories they sometimes lose sight of the fact that we are talking about the needs of children and what their parents want.

There has of course been a move towards inclusion for special needs children, which is right and welcome for children who can benefit from such mainstream education. If we can provide extra resources so that they can have a rich and fulfilling education in a mainstream school, that is really welcome because it is excellent news for both parents and children. However, if inclusion is just a politically motivated approach, it is not right. Including children in the mainstream when that is not in their interest is not good for parents, teachers, schools, other children in the establishments or, ultimately, the children themselves. If they do not get the advantages that they need, such as extra-curricular activities, extra provision or different provision, they will suffer.

Mr. Khan: If the hon. Gentleman's analysis that the Government are forcing children into mainstream schools is correct, how does he explain the fact that the number of children in special schools has remained roughly consistent over the past eight years and the percentage of children in special schools has risen in the past two years?

Mr. Evennett: I am interested in the hon. Gentleman's point, but I do not think that he is correct. If he looks at the figures, I think that he will find that there are now 6,000 fewer places in special schools. Special schools have been closed while others are threatened with closure.

Mr. Khan: Will the hon. Gentleman give way?

Mr. Evennett: No, we must give other hon. Members the opportunity to speak.

The Government exert pressure to encourage inclusion by trying to get more children into mainstream schools. That is good in some cases, but we must analyse the current situation. We must determine what we think is best, where the resources can be used best and, ultimately, what is best for children. I am worried that children with severe or complex learning difficulties are being gradually moved into mainstream schools that are not appropriate for their needs.

During the election campaign, parents told me that their interests were not being taken into account. They want a voice on what is going on with special educational needs, and they want a say in special schools. They raised with me on several occasions the process of statementing, which the hon. Member for Kingston and Surbiton (Mr. Davey) highlighted earlier in an interesting part of his speech. The statementing process often takes too long. It is often too bureaucratic, and it has not achieved what parents want, which is the best for their children. We thus want the process to be examined.

If inclusion is to be the theme of special needs provision, parents should be much more involved in the process. They deserve choice because they know what is best for their children. They should consult with the experts, rather than just being told what is happening. The Minister for Schools omitted to say that she wanted to involve parents in the process to a greater extent, look after children's interests and ensure that the best outcome is found for all, so I hope that the Under-Secretary will address that point.

I hope that the Government will take on board several of the ideas put forward in the excellent speech made by my hon. Friend. They should take parents' views into account and examine the law that currently restricts choice—I think that it is biased against special schools. The current audit should cover all special schools; not just schools dealing with severe learning difficulties, but those dealing with moderate learning difficulties. There has been some banter about the word "moratorium", but if we are going to conduct a serious study, it would be useful to stop where we are at the moment instead of carrying on and finding that the study's findings come too late. A moratorium would thus be a good thing.

I am worried about this aspect of education, but I am afraid that nothing that the Minister for Schools said gave me any confidence that the Government are considering it constructively and with an open mind. Parents and choice should be the top priority, but I am worried that there is a bias against special schools. I hope that the Under-Secretary will take on board some of the genuine concerns of Conservative Members and act accordingly.

3.19 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab): Any debate about children with special educational needs is bound to be emotive. We are talking about real children and real families and there are many parents in my constituency whom I admire enormously for their

dedication to their children and for the support that they give to the school that their child attends—it does not matter whether it is a mainstream school or a special school.

It is important that we continue to provide special school education, but there has been a growing recognition among parents, teachers and society as a whole that mainstream education can deliver the same support as a special school, and that not only do the children with special needs benefit, but the mainstream school and the children who attend it also benefit, and all children learn that we are not all the same and that children with special needs should not be hidden away but are all part of an inclusive community where we can demonstrate that everyone makes a valuable contribution.

As more and more parents have seen the benefits of mainstream education, more and more of them are making that choice, and that is why we have seen falling rolls at special schools. Parents of special needs children are naturally very protective of them, but most of them want their children to be independent, both when they are at school and when they grow up. That is possible only in an inclusive society that recognises difference but values everyone. In my constituency, the local education authority has identified 26 different and diverse groups that have special needs, including learning difficulties, sensory impairments and physical disabilities. The LEA is striving to ensure that special educational needs provisions meet everyone's needs.

I want parents to be able to make informed decisions about their preferences. To make that decision, parents need to be reassured that the same level of specialist support is available in mainstream schools as in special schools. I am sure that the national audit of SEN specialist services, support and provision that is under way will be an enormous help in assessing needs and provision.

It is important that such decisions are made locally. LEAs, in partnerships with parents and schools, are closest to their communities and best placed to meet their educational needs. Although the number of parents opting for special schools in my constituency has declined, mainstream schools are not suitable for some children. That applies even to specialist units within mainstream schools, but with more parents opting for mainstream schooling, we have to consider the viability of smaller special schools with falling rolls.

My constituency falls within the Portsmouth LEA, and there are two particular special schools with falling rolls. One of the schools is in my constituency and the other is in Portsmouth, South. One is housed in a building that has difficulty in meeting the needs of access, mobility and health and safety. The other is on a limited site that is not suitable for expansion. Both schools have their own ethos and culture and both are fiercely proud of ownership. There is a fierce pride among parents, staff and pupils, who are prepared to defend their school to the hilt.

Portsmouth LEA received £5 million targeted capital fund allocation for special needs allocation, and it was decided that the best way to meet the difficulties of the two schools was to close them both and build a new school. Inevitably, when the proposal was first mooted there was fierce resistance. Parents saw only what was happening to their school and were worried about how their children would manage. We all know that children with special educational needs need stability. The parents were worried about the effect that the change would have on the education of their children, along with the disruption that would inevitably occur.

Parents want their special needs children to live as independent a life as possible. If the numbers in a school fall too far, there will be fewer teachers, so teachers have to hold responsibility for two or more subjects, as well as a similar number of whole-school aspects such as assessment. That means that they would be spending a great deal of time preparing schemes of work and moderating the work of their colleagues, which could mean little time left for out-of-school activities. Very small schools find it more difficult to offer the depth and breadth of subjects expected by Ofsted, which I think should be an entitlement of all pupils, whether in mainstream or special schools.

As the consultation process moved forward, people began to see the benefits that would accrue from a brand-new purpose-built building housing the full range of facilities best to serve the curriculum and learning needs of children with severe and complex learning difficulties and disabilities while meeting the highest specifications of access and mobility.

The ethos and culture of a school do not come from its buildings, but from the staff and leadership of the school. In Portsmouth, the staff and leadership will come together in the new school. From September 2006, out of the closure of two special schools will come a better facility in a purpose-built building delivering a curriculum and out-of-school activities that are designed to give these special needs pupils the tools and experiences that they will need so that, as adults, when they leave school, they can live as independent a life as possible. Surely, that is what special needs education is all about. I am concerned that, if the Opposition had their way and there were a moratorium on the closure of special schools, those children in my constituency would be denied their brand-new school and all the opportunities that go with it.

3.25 pm

Sammy Wilson (East Antrim) (DUP): I do not wish to make them appear vulnerable, but a number of Members, mostly from the Government, have said that this debate should not be conducted in an atmosphere of acrimony and point scoring. I can assure the House that I do not intend to speak in that way today, although I hope to have an opportunity to do so another time. I do not have any party interest in the squabble between the Labour party, which does not stand in Northern Ireland, and the Conservative party, which does stand, even though it is hardly worth while to do so in some constituencies. This is an important issue, as many people with youngsters who have a difficult time in school because of a learning disability would like genuine improvement in the system rather than point scoring by the two parties.

I shall look at a number of issues that need to be addressed. However—and this is the only political point that I shall score today—it was incredible that the Minister should say that there was no policy of closure only to admit that nearly 100 schools had been closed

[Sammy Wilson]

during the period in which the Administration has been in charge of education. To me, that seems like a policy of closure. The first thing to do is look at changing the balance. There is an undoubted bias towards mainstreaming, and thus a bias against special schools. Indeed, Baroness Warnock accepted that when she was honest about the disastrous nature of the policy. In a damning indictment, she said that "a disastrous legacy" had created

"confusion of which children are the casualties".

For a number of years now, many families have come to realise that their youngsters have not received the education that they deserve. There is increasing awareness that social inclusion does not always mean educational inclusion. Sometimes, for youngsters' own protection, it is important to remove them from the rough and tumble of mainstream schools and give them the opportunity to be taught in a different environment. The policy that provides the right to mainstream schooling has sent out the wrong signal. The Minister cited the report by the chief inspector of schools and said that there had been an improvement in standards, but the Ofsted report said that there remains uncertainty about what constitutes adequate progress for pupils with SEN. If Ofsted finds it difficult to know what constitutes progress, it is incredible that the Minister should say that progress has taken place.

The Ofsted report was less than glowing about provision in mainstream schools. It said that a minority of mainstream schools meet special needs requirements very well but that admission to mainstream schools of pupils with social and behavioural difficulties—let us not forget, such difficulties constitute the biggest increase in SEN—has proved to be the hardest test of the inclusion framework. Inspectors have all pointed out that even the most committed headmasters have reservations when asked to admit pupils with high levels of need, especially when those children have previously attended mainstream schools without success. The chief inspector's report suggested that mainstreaming is not always the most preferable route.

A variety of provision is needed. The Minister announced this week an extra £3.5 million for special needs provision in education in Northern Ireland. That is very welcome, given the pressure that there was. I have spoken to a number of teachers in special needs schools in Northern Ireland. They feel devalued by the emphasis on mainstreaming. They see that as a slight on special needs schools which, as other speakers have acknowledged, often provide the expertise that mainstream schools draw on, and provide an opportunity for youngsters who are not suited to mainstream schools.

We have a number of mainstream schools in Northern Ireland where special units have been introduced, sometimes because it was an easy way when there was spare capacity. In some cases that has worked out well and in some cases not so well. It is ironic that, in my constituency, where I met the Minister last week, a school that has a special unit within it, where the youngsters have separate opportunities to be educated and join the mainstream youngsters for certain activities, is to be closed. It is a model that seems to have worked well.

The Minister spoke of capacity building in mainstream schools. That could have an important effect on statementing. Members have spoken about the delay in obtaining statements. A third of educational psychologists' time is taken up drawing up statements, each of which costs about £2,500, and still many people have to wait a long time before they get a statement. There is also an equality issue. The situation in Northern Ireland is no different from that in the rest of the United Kingdom—middle-class parents seem to have more access to statements than parents from less well-off backgrounds. They have more skills and know the system better. That needs to be addressed.

We would need fewer statements, though not as few as Baroness Warnock imagined—2 per cent. of youngsters statemented—if there was provision and capacity building in mainstream schools, where youngsters with moderate learning difficulties could quickly be taken in and given some help, rather than parents feeling that they have to use statementing as the only way to get the extra provision. Capacity building has an important role to play in reducing the demand for statements.

There are many other issues, but time will beat me. The subject is important, given that, in Northern Ireland alone, there are 10,600 youngsters with statements and across the United Kingdom many hundreds of thousands—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Let me say to the hon. Member for East Antrim (Sammy Wilson) that there will be other days.

3.33 pm

Judy Mallaber (Amber Valley) (Lab): In Amber Valley, the proportion of pupils in maintained special schools is the same now as in 1997. I want to praise the skills and dedication of teachers and other staff in those schools and of those working with pupils with special needs in mainstream schools. Parents rightly want the choice of what is right for their child.

I have sat in the station buffet in Derby watching young people have an animated conversation through the glass doors. They had come from the Royal School for the Deaf. I have also been in a Committee Room in the House seeing staff from Aldercar infants school in my constituency receive a national training award for their work with deaf children who are integrated into their school. Even the taxi drivers get training in sign language and parents who got involved now have national vocational qualifications in social care and special needs.

National policies are carried out by local authorities. If Labour had an agenda to close special schools and to limit choice, we would see it in Labour Derbyshire. Labour does not have that agenda. I shall give some examples. Derbyshire county council has had excellent ratings three times running in the comprehensive performance assessments. Ofsted says it is a good LEA and it has above average performance on special needs. Derbyshire's principal educational psychologist has nearly finished an 18-month review of all special needs,

including special schools. Derbyshire's cabinet member for education said to me yesterday, "This review is not to close special schools, but to provide a mixed pattern of education to meet the needs of children and parents." Do the Opposition really want to take away Derbyshire's right to assess local needs?

Let us examine the case of a special school that did close in the neighbouring constituency of my hon. Friend the Member for Erewash (Liz Blackman). Two schools amalgamated because the number of children with moderate disabilities seeking places fell, which left spare places. It made sense to close one school to ensure proper provision for those pupils who needed it, and parents were consulted and extra resources obtained. Some of the children at the school had severe physical disabilities, but their cognitive abilities required a fuller curriculum than that provided in that special school, so an enhanced resources provision unit was set up at Aldercar school.

I recently visited that unit, which has excellent facilities, and met Louise, who has cerebral palsy and uses an augmentative electronic communications system, which it was amazing to see her use. I met Robert, who has severe cerebral palsy. He used to go to a residential school out of the county, but his parents became concerned because he withdrew into himself and did not enjoy the residential experience, and they asked for him to come to Aldercar school. Those children spend time in the special unit when they need special help, but they also spend a lot of time in the mainstream school, which has to amend the curriculum accordingly. That allows Louise to do PE and Carl, who wants to study the performing arts, to work on his BTEC with other pupils.

Aldercar school takes pupils other than those in that unit, including the most severely autistic child in Derbyshire in mainstream education. Her parents asked for her to go to the school because they wanted her to experience mainstream education, and they are delighted by her progress. When she does funny things, such as quacking, the other children say, "Oh, that is Emily"—she is part of the school. In September, the school will take a child with multiple problems with muscular dystrophy, and, again, his parents want him to attend the school. Those parents had a choice and asked for their child to go to that school, which is the important point. We need provision that suits children's needs and that is right for individual children.

The children whom I have mentioned attend a mainstream school with special provision, but other children attend special schools. Last year, I visited a special school in Alfreton in my constituency, which was very concerned about staffing and resources. Derbyshire county council has generally been underfunded in comparison with southern counties, and although the gap has been closing, it still lags behind on special school provision, resources, funding and staffing. As well as putting money into mainstream schools, the county council has halved the gap between current special needs provision in Derbyshire and average special needs provision around the country, and it hopes to close that gap completely. Does that sound like Labour closing special schools?

Mr. Khan: My hon. Friend is discussing the experiences of parents in Labour-controlled Derbyshire. Will she comment on the experience of parents in Conservative-controlled Wandsworth? The parent of a child whose school closed has said:

"I can vouch for the fact that the Tory council were ruthless in their determination to close the school".

Judy Mallaber: That is shameful, and it shows the contrast between what happens in some Conservative authorities and what happens in my Labour-controlled authority. The Opposition are plain wrong to suggest that closing special schools is Labour policy, when we are seeking to provide choice and to examine need.

In my constituency, the Holbrook autism centre, which has skilled staff and good resources, caters for severely autistic children. Derbyshire county council has allocated the centre an extra £1.3 million to allow it to take 12 extra students, but it has also developed enhanced resources provision for autistic children in three other mainstream schools in the north of the county and at a school near Aldercar school. Aldercar, incidentally, does not just cater for middle-class children—it is in the most deprived part of my constituency and does good things for children of all abilities.

Derbyshire is providing extra help and resources not only for a specialist autism centre in my constituency but for autistic children in mainstream schools. How on earth can one say that that sounds like Labour refusing to allow parents choice? That is simply not the case.

Such decisions are not easy. A woman came to see me with her child, who had Asperger's. She was completely torn. The experts were suggesting that he should go to mainstream school to make the most of his educational abilities, but she wondered whether he should go to a special residential school to help him with the problems that Asperger's children have with their social skills.

This morning, before the debate, when I was checking some of the facts with the head of special needs in Derbyshire, he told me: "We are more concerned with outcomes than with any dogma. We are concerned with pupils making progress and with meeting parents' and pupils' wishes and needs." That is what we are trying to do, with considerable difficulty, in Labour Derbyshire. Please do not let us put Derbyshire into a straitjacket based on dogma or, as my hon. Friend the Member for Huddersfield (Mr. Sheerman), who is the former, and possibly future, Chair of the Education and Skills Committee, said, on gimmicks. It is not helpful to lurch from one view to another. As Baroness Warnock rightly reminded us, some children need to go into special schools; we need to consider her report carefully. I am sorry to say that we should not engage in Tory leadership battles, no matter how sympathetic we are about the personal experience and family situation of the hon. Member for Witney (Mr. Cameron).

These are difficult and complex decisions, and parents and LEAs agonise over them in the best interests of their children. Let us not allow them to become a political football—they deserve better.

3.41 pm

Mr. Richard Benyon (Newbury) (Con): This has been a very interesting debate, and I commend Members on both sides of the House for their contributions. I shall deal with some of the points made by the hon. Member for Amber Valley (Judy Mallaber) in a moment.

[Mr. Richard Benyon]

I want to talk about two schools in my constituency whose circumstances inform any debate on special schools or special educational needs. Mary Hare school for the deaf is a non-maintained special school with places funded by more than 100 local education authorities from around the country. It caters for some of the 20 per cent. of profoundly deaf children who cannot be educated in the mainstream. It is much appreciated and lauded by the Minister's Department in several ways. It has been invited to become a specialist trailblazer school; it tops the league under the Department's value-added table; and it has, in recent years, achieved training school status. Indeed, it has just had a £300,000 grant for a new performing arts centre. One can therefore tell that it is much appreciated by the Minister.

Members will be able to tell that there is a big "but" coming. That "but" relates to the way in which the school has to deal with special educational needs tribunals. Even hard-core advocates of inclusion have always accepted that extreme cases of deafness and visual impairment are exceptions to the inclusion agenda and benefit from specialist school education. But the head teacher of Mary Hare school, Tony Shaw, spends 40 per cent. of his time preparing for and fighting special educational needs tribunals on behalf of pupils and parents. Last year, he won 17 out of 18 of those cases; the remaining one is being appealed at the High Court. This year, he is assisting 15 families appealing these tribunals.

It is worth examining what is going on here. Unless schools take time to represent these families, in the vast majority of cases they do not have a prayer when they get to the tribunal. The tribunals follow a legal framework, which most parents cannot be qualified to fight. A tribunal requires copious details of a child's case, and the parents have to prove at length why the local education authority provision is inadequate. It requires an enormous amount of work and understanding of how the system operates.

There is a prejudice in the educational establishment against special schools and it means that children suffer. The decision by Mary Hare school, like many others, to put its head above the parapet and take on what some hon. Members have described in the past as the inclusion police, was hard to make because it has been trying to build relationships over the years with local education authorities. However, by taking on the tribunals, it has secured a good education and the best prospects for many children. It has done that not only for the children whom it represents at the tribunals but for the other children at the school. It has managed to keep the school roll up, thus securing its future. As my hon. Friend the Member for Witney (Mr. Cameron) said earlier, the LEAs are working to an agenda of inclusion that has been pushed in recent years, and it causes great unhappiness when cases go to tribunal.

I shall briefly refer to another paradox for the Mary Hare school. The Under-Secretary cannot deal with it, but perhaps she can put some pressure on the Chancellor. In receiving the £300,000 grant for the new building—for which it is very grateful—the school will probably also face a VAT bill of more than £400,000 for the same project. A maintained special school would not receive such a bill; it could claw back the VAT. That anomaly must be resolved. What the Government appear to give with one hand, they take away with the other.

I want to consider another school in my constituency, the Castle school in Donnington. It is an LEA-maintained community special school, which encompasses the range of special needs. It is a uniquely wonderful place to visit. It has children with genuine problems and it faces an interesting challenge that enables me to be constructive about the future of inclusion. The school buildings are reaching the end of their natural life. It is on a site that is away from the centre of town and children have to be bussed to Newbury when they want to carry out other activities. It has successfully co-located its infants school with a mainstream school in the town. The decision that the school must make has to be sensitive to the passionate loyalty of parents, pupils, teachers and governors. However, it is moving towards deciding to co-locate the school with another secondary school in the LEA. I pay tribute to the way in which the school, the governors and the LEA have handled the matter. If it is done right, everybody wins.

The co-location would be based on the model of Springfield school in Witney, which my hon. Friend the Member for Witney described, where inclusion can work to everybody's gain. A properly co-located school can be appropriate for different children. Some can share certain classes, whereas for others, it is not appropriate to share any classes. However, they can share facilities such as catering and sports facilities.

Children in the mainstream school also benefit. My education was divorced entirely from that of those with special needs—I expect that that applies to many in my generation. I went into adult life practically never having met a child with special needs. I believe that inclusion, when done properly and limited, is right for children for whom it is appropriate. In those circumstances, co-location is a way forward. We cannot hermetically seal children with special needs away from those in the mainstream.

In short, I hope that the Government will hear the pleas of parents who know what is best for their children, and the pleas of special schools. I hope that they will also listen to the words of Baroness Warnock. This is an important debate, involving the most vulnerable people in our society. I commend the motion to the House.

3.50 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Thank you, Mr. Deputy Speaker, for calling me to speak in this debate, which should have at its heart the experiences and needs of children, their parents and their carers. All too often, parents feel alienated from the very processes designed to support them. They frequently feel ignored or dismissed, or that their views are of the smallest importance when it comes to determining what support should be offered and how it should be organised. It is fair to say, however, that not every parent's experience is like that. Most children's needs are quickly identified, so that the appropriate support can be put in place. However, there are too many cases in which that just does not happen.

When the delays start to occur, they are often accompanied by a feeling on the part of the parents that their views on their child's needs are being ignored. Indeed, it often seems as though the professionals respond to an assertive parent by digging in, by entrenching themselves in their position, and by weaving a web of dialogue around the parent. This makes things much worse for parents, who often have mixed feelings about the whole process anyway. Some parents feel uncertain about allowing their child to be labelled as different in any way. In that context, it is distressing for them to learn that the process itself is often complicated and fraught with tensions and disagreements. Time delays and cancelled appointments undermine confidence in the process, making parents feel that their child is just a name on numerous files, a faceless entity filed away somewhere for action at some future date.

Only last week, I went to meet the parents of an autistic child in my constituency. They want their son to enjoy an extra year at primary school because of the failure to diagnose his autism at an early stage. They have the support of professionals such as the educational psychologist and the consultant community paediatrician. However, the local education authority's response to their request has not been particularly positive, and the matter will go before a panel meeting tomorrow. As far as Mr. and Mrs. Houghton are concerned, the whole process is tense and difficult, and it follows what they have described as a distant and bureaucratic relationship with the special educational needs service. To give an example of what that relationship has been like, I shall tell the House about an event that took place last week. When Mr. and Mrs. Houghton rang the LEA to ask about the date of the panel hearing, they were told quite categorically that it had not yet been determined. I phoned the LEA the following day to inquire about the case, and was given the date immediately. It is appalling that an MP can be given such information when it has been denied to the parents involved.

I acknowledge, however, that there are no easy ways to improve the services provided to parents and children with special needs, but improve them we must. The key to improvement is surely to focus not on buildings, moratoriums and so on, but on the better co-ordination of services for children, and on putting parents at the heart of the process. The introduction of integrated children's services is one of the ways in which we can improve the work between professionals, their relationships with parents, and the service. I have already told professionals in Sheffield that, for me, the test of children's services will be how much SEN services improve, and how much less parents complain about it. That is the key for children's services.

What provision do we need? In Sheffield, we have a spectrum of provision. We have special schools, as well as integrated resources in the mainstream. Children with a low incidence of need are fully integrated into the mainstream, and we also have an opt-out provision for children who need to be taken out of their mainstream school for a few short weeks and given intensive support. That is the way forward. There is nothing in the Government's policy about either closure or total inclusion. A spectrum of provision is the recommended way forward, and it is based on four principles.

The first is collaboration between special schools and the mainstream, to ensure that expertise is there at every point in provision for all children. The second is flexible provision, which allows children to transfer from special to mainstream schools if necessary, and vice versa, with no delay. Thirdly, the system must give parents choice. Fourthly, as I have said before, it must be led by professionals working in schools who know best how to improve the service and introduce innovations.

I consider the proposed moratorium totally inappropriate. We need flexibility. Some closures are necessary. In Sheffield two new schools are opening in September, after three old special schools have been rebuilt. Parents welcome that, and it has led to an expansion in the number of places available. More closures are in the pipeline, agreed to by parents because the schools are being rebuilt. I appeal to Members not to vote for a moratorium that would stop Sheffield getting its new schools.

A further programme of closure and rebuilding is not appropriate. What is appropriate is for decisions on how provision should be shaped to be made locally. A nationally imposed moratorium would be an example of centralised control that could damage SEN education rather than improving it. I suggest that if there are problems with provision across the country, local government reform is what is needed. We should not have a go at SEN provision when the problem lies with authorities—sometimes Tory-controlled—that do not know how to handle relationships with parents and SEN professionals.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The winding-up speeches must begin at 4.15 pm. Three Back Benchers are trying to catch my eye. Perhaps they will do the maths for themselves if they wish to be helpful to their colleagues.

3.57 pm

Anne Milton (Guildford) (Con): I will be brief, Mr. Deputy Speaker.

This has been a fascinating afternoon. I find it interesting that there is a fair amount of agreement in the House. I am a new Member, but I would love it if someone set out his or her ideas and then said, "Hands up those who agree with this." I think we would turn out to be in agreement on many issues.

One thing on which we definitely agree is that inclusion of children with special needs in mainstream schools is a worthy ideal, and I think that for many it is the best option. Inclusion of all children, however, is not the right idea. It is generating a huge amount of fear and mistrust among teachers at the moment: they do not feel that they will be able to cope. I have seen teachers in tears because they are desperate. They say, "I went into mainstream education because that is what I feel I can do. I do not feel that I have the skills to meet the requirements of children with special needs."

I think that there is a problem with perception. Labour Members seem to believe that a moratorium will somehow stop everything, that we are going to go backwards, and that we think inclusion is a bad idea. That is not the case. We are saying what a Labour

[Anne Milton]

Member said earlier: we are saying, "Let us stop for a minute and take stock." This is a hugely complicated issue.

My constituency contains some brilliant schools for children with special needs. Gosden House school deals with children with moderate learning difficulties. We also have Pond Meadow, which is to co-locate with a secondary school, and Thornchace, which is a very special school for girls with emotional and behavioural disorders. Many of the girls are looked after, many have been excluded from mainstream schools, and many have already failed in pupil referral units. That school faces closure, which is devastating for staff, pupils and parents, because they know that they have something special to give to very special girls, which is to be taken away from them.

The local education authorities do not want prescriptive messages from Government. They think that they have to pursue inclusion with all their might, which is why we are seeing special schools close. Often, aspirational theory translates into poorly conceived practice and that is what we are seeing now.

We have heard lots of talk of joined-up thinking and partnership working. It makes me so angry, because it does not necessarily translate into something that works on the ground. Ministers can say all the words they want, but what parents and children want to know is: is it working on the ground? A moratorium is the right answer because we need to take stock. There is too much uncertainty out there about how to meet the needs of children with special needs for us to continue. We need to say, "Hang on a minute, what do we agree on, what is right?" and examine the whole sector.

4.1 pm

Philip Davies (Shipley) (Con): I am happy to support my hon. Friend the Member for Witney (Mr. Cameron) on this important subject, which I am delighted he has given us the opportunity to debate. It has been a very interesting debate. We nearly all agree that there is a problem—I was a bit concerned that the Minister started off by saying that there is not a problem. Hon. Members on both sides of the House have said that there are problems—even Labour Members have highlighted them.

The Government cannot have it both ways. They say that there is not a problem and then, when people say that there is, they say that it is not their problem, but local authorities'. It would be worth while for the Government to acknowledge that there is a problem. I congratulate my hon. Friend on bringing the matter to the House's attention.

I may be able to be constructive for the Government in some respects. There are local authorities that want to improve their provision for special needs but they need the Government's help. Bradford council has some innovative and ambitious plans to improve special needs education and to increase the number of special schools in the district, but it needs the Government's help. I hope that the Minister will look favourably upon Bradford council when it requires some help to improve provision in its area.

The council's plans involve opening three new secondary special schools. It also has ambitious plans to introduce three new primary special schools. That is being funded from the council's own resources because it sees it as a priority. It wants to improve the available provision. I hope that the Government will help it to deliver that.

All those schools will be co-located with other schools. My hon. Friends the Members for Newbury (Mr. Benyon) and for Witney pointed out that the model of co-locating a special school with a mainstream school can work. That is what Bradford council intends to do.

There are some areas where the Government could help local authorities. One is through the funding of therapies, including speech and language therapy and physiotherapy, which are grossly underfunded in the Bradford district. Demand is higher than supply and the council needs about £420,000 to meet that demand. I hope that the Government will help it with that provision, which is so needed in the Bradford district.

There is a gap between what is offered to people while they are at special schools and what is offered when they leave. Post-school life, little appears to be done; there is a dearth of provision and facilities both for the people leaving and for their carers or parents. Some capital and revenue funding to help with that would be worth while and meet a real need.

What I have in mind is co-located living and training accommodation. People could be accommodated and trained there both while they are at school and after they finish school. That would give them the independence that they crave but currently do not possess.

My concern is that the Government's agenda involves trying to force children into mainstream schools in cases where doing so is not appropriate. I do not know what led to that idea. My fear is that this agenda is based not on what is in the best interests of the children—of the people who need these facilities—but on forcing people into mainstream schools as part of a politically correct process of social engineering. The idea seems to be that, so long as everybody gets the same education, that is fine. However, what people want is diversity in education. Children should go to the school that is right for them.

It is important that people understand that where co-location takes place, the children are not necessarily educated together. Although they might be integrated socially, they are not mixed with others in a mainstream education setting. They are not totally segregated, but they are not forced into participating in lessons that would be totally inappropriate for them. Such participation would be inappropriate not only for them, but for the other children in the mainstream school.

The Government can help by providing extra special needs places throughout the country and particularly in the Bradford district. We have heard today from Members in all parts of the House that there is a problem. I hope that the Government will acknowledge that fact, and that they do have a role to play in helping local authorities to develop the best possible strategies. Bradford council—Conservative-led—has some innovative and ambitious plans, and I hope that the Government will support its efforts to increase special needs provision.

4.6 pm

Mr. Mark Hoban (Fareham) (Con): I begin by congratulating those Members who have taken part in this excellent debate, with Members drawing on their constituency experience of special education. In particular, I want to congratulate my hon. Friends the Members for Forest of Dean (Mr. Harper), for Bexleyheath and Crayford (Mr. Evennett), for Newbury (Mr. Benyon), for Guildford (Anne Milton), and for Shipley (Philip Davies). My hon. Friend the Member for Shipley has perhaps presented the Government with a challenge. If they are saying that there is no bias in favour of inclusion—that there is no bias against special schools—they should be prepared to look at Bradford council's plan to expand the number of places in special schools at both primary and secondary level. That will be a test of their special educational needs policy.

The hon. Member for Huddersfield (Mr. Sheerman), the former Chairman of the Education and Skills Committee, was right to suggest that the first topic for the re-formed Committee should be special educational needs. We also heard from the hon. Members for Coventry, North-West (Mr. Robinson), and for Portsmouth, North (Sarah McCarthy-Fry), who is my constituency neighbour, as well as from the hon. Members for Amber Valley (Judy Mallaber), for Sheffield, Hillsborough (Ms Smith), and for East Antrim (Sammy Wilson). They demonstrated that the problems that we face span all parts of our nation.

I want to tackle three fundamental propositions that are at the heart of this debate. First, children with special educational needs require a proper assessment to establish how much additional support and help is needed to enable them to realise their full potential. Secondly, although for many children such support can come in the form of a mainstream school place, it is not the answer for every child. Parents need choice, as the hon. Member for Amber Valley said. Thirdly, if we are to give children the right support, it is vital that no options be closed to them.

Let us consider first the need for a proper assessment of children's needs, and in particular the statementing process. As the hon. Member for Sheffield, Hillsborough pointed out, the statementing process is far from perfect. Many parents do not consider it fair. A recent survey by the Down's Syndrome Association pointed out that many local education authorities

> "are accused by parents of cynically manipulating the statementing process to deny adequate support to all but the most vocal."

The hon. Member for Kingston and Surbiton (Mr. Davey) referred to the adversarial nature of the process. Parents are pitted against LEAs and expensive advisers are employed by both sides, so that parents can argue the case for the support that their children need.

Many parents believe that the level of provision is not just about meeting the child's needs, but about responding to the pressures on LEA budgets. A recent report by PACE—Parents Autism Campaign for Education—noted:

> "Parents' perception of their LEA was generally negative."

Many parents expressed concerns about their LEA's competence and about the fact that LEAs were less concerned with the education of their children than with budgets. The conflict of interest within LEAs—between their role as funder of special education and their role as assessor of needs—has led many parents to doubt the reliability with which authorities go about the statementing process.

I was pleased to hear that the hon. Gentleman agrees with us that we should look further into the possibility of having independent assessment of special educational needs. When parents look around the country, they see huge variations in the proportion of children statemented in different LEAs. In Nottinghamshire, only 1 per cent. of children are statemented, while in Halton it is 4.6 per cent. How can parents have confidence in a system that produces such variable outcomes across the country? Despite parents' frustration with statementing, they also see it as vital, for it establishes a guarantee of entitlement, without which they fear that their child's support could be taken away at a moment's notice. We need to increase parents' trust in the process.

It is not just parents who find statementing to be an unsatisfactory process. County councillors have also expressed their concern that the statementing process is too bureaucratic. It is time consuming and frustrating for them, as well as for parents. Until trust in the statementing process is established, parents will also see it as a battle to get the best resources for their children—an adversarial system that is time consuming and wasteful, yet vital if they are to get the guarantee of help that they need.

If we are to ensure that children achieve their full potential, we must ensure that the support that they get is tailored to their needs. There is a consensus across the House about the importance of early intervention. I have seen for myself the excellent work that the Elizabeth Foundation does with young children born with a hearing impairment. It tries to support children at an early age so that they can continue in full-time mainstream schools rather than have to go to a school for the deaf or a unit for children with hearing impairment.

Earlier this year, I went to the Battledown early years centre, which was faced with closure by the Lib-Lab alliance on Gloucestershire county council—the same people who proposed to close two moderate learning difficulties schools in the constituency of my hon. Friend the Member for Forest of Dean. Battledown did everything that we ask from such a centre: it assessed the needs of children early and provided them with the support intervention that they needed so that, where possible, they could go to a mainstream school. Without that early assessment and intervention, those children were being set up to fail in mainstream schools. Thankfully, in that case, the centre was reprieved by the adjudicator. If we believe in early intervention, we cannot afford to lose centres such as Battledown, which help to tackle special needs when children are young.

Members on both sides of the House have argued that it is wrong to adopt a doctrinaire approach either that only mainstream is right or that only special schools are right. We need to get the provision right for all children.

[Mr. Mark Hoban]

I fear that what we have seen over recent years is a dogmatic belief in the importance of inclusion. Yet the evidence tells us that mainstream does not always benefit all children. The Ofsted report "Special educational needs and disability: towards inclusive schools" found:

> "Few schools evaluate their provision for pupils with SEN systematically so that they establish how effective the provision is . . . A minority of mainstream schools meet special educational needs very well . . . The teaching seen of pupils with SEN was of varying quality".

Clearly, there is an issue about the quality of educational provision for children with special educational needs in mainstream schools.

Whenever I visit special schools, I meet children who have been written off in mainstream schools, but who are flourishing, thanks to the expertise and care available in special schools. I visited the Mary Hare grammar school for the deaf in Newbury, to which my hon. Friend the Member for Newbury referred, earlier this year. I met a young man there who had been written off as a failure by his mainstream school. He was stuck at the back of class and could not participate in lessons, but he is now heading off to university because of the expertise and skills of the Mary Hare school. Special schools are very important. Indeed, the Mary Hare school is also a training centre for teachers seeking a post-graduate qualification in teaching the deaf. If we lose those schools, we lose that expertise, and the opportunity to share it with other schools.

My hon. Friend the Member for Witney used two statistics in his speech to illustrate how mainstream schools do not always work. He said that a child with a statement is far more likely to be excluded from school than one without, and that many more children with statements switch from mainstream education to special schools than the other way around.

I make those points not to argue that inclusion is invariably wrong, because it is not. Inclusion can be right and it can work, but not always. Alternative provision needs to be available, so that children can get the support that they need. We must be able to maintain choice. Parents should be able to decide, where appropriate, whether a child with special educational needs should attend a mainstream or a special school. Closing special schools removes that choice.

That choice is also constrained by the presumption in favour of mainstream in the Education Act 2001. I refer again to the Department's guidance on this matter. My hon. Friend mentioned it before, but the House needs to remember that it has an impact on what happens in LEAs and on how they respond to the needs of children with SEN.

Ms Angela C. Smith: Will the hon. Gentleman give way?

Mr. Hoban: No, as the hon. Lady spoke earlier. Time is short and many points arose in the debate that remain to be covered.

The Department published the document "Inclusive Schooling" in November 2001. It states that the starting point is always that children who have statements will receive mainstream education. That sets the direction of travel for LEAs, which make mainstream education the first choice for parents and often limit the information available to them about special schools. As a result, parental choice in the matter is restricted.

Why do parents want that choice? For some, the principle is important, but other parents' experiences of mainstream education have been unsatisfactory. In its brief for today's debate, the Special Educational Consortium pointed out that the mainstream does not offer a ready welcome to a child or understand a child's impairments and educational needs. It says that parents have difficulty in securing appropriate provision in mainstream schools, and that there are problems with getting appropriate support from other sources.

Parents choose special schools because they believe that they can meet their children's needs better than mainstream schools. Yet they are often under pressure to accept a place in a mainstream school because that is what the legislation and the guidance say that they should be offered.

Most under threat are the choices available for parents of children with moderate learning difficulties. The Government recognise that special schools have a role for children with a severe impairment, but there is a lot of concern about the fate of schools dealing with moderate learning difficulties. As my hon. Friend the Member for Forest of Dean pointed out, two MLD schools were closed in Gloucestershire. My hon. Friend the Member for Witney challenged the Minister for Schools at the start of the debate about the role and future of MLD schools. He asked her directly for her view of what the future held for such schools, but she ducked the question and hid in generalities.

The Minister's response made it clear that MLD schools have little future under this Government, as the terms of reference for the audit of special schools also indicate. I hope that the Under-Secretary of State, when she responds to the debate, will correct that impression, and that she will give parents of children attending schools specialising in moderate learning difficulties an assurance that their future is safe under this Government.

We also need to understand what help is available, and what is effective. The Opposition believe that we need a review of special educational needs provision to ensure that children's needs are met. In the meantime, we must ensure that there is a moratorium on the closure of special schools. Those schools need to remain open while the review is conducted. Until we clear up the uncertainty and understand what is happening in the sector, we cannot move forward with the closure of special schools.

The debate presents us with a real choice. Do we listen to the concerns of parents, teachers and children in special schools that they are being denied the ability to choose between mainstream and special schools? I believe that supporting the motion will send out a clear message to parents, children and teachers that we care about the education available to children and believe that there is a proper role for special schools. In contrast, the Government are in danger of letting down children with special educational needs.

4.19 pm

The Parliamentary Under-Secretary of State for Education and Skills (Maria Eagle): It is a pleasure to respond to the debate and to follow the hon. Member for Fareham (Mr. Hoban). I am not sure how much else we will agree on, but I agree that this has been an excellent debate. I very much welcome the interest of all hon. Members who have participated today. I congratulate the hon. Member for Witney (Mr. Cameron) on raising this important subject, which I should be happy to talk about as often as the House wishes.

The Government have a commitment to improve the life chances of disabled people and to ensure that the enormous extension of disability civil rights legislation that we have implemented during the past eight years results in real improvements in outcomes for disabled people. That commitment extends to educational opportunity and to disabled children, as well as to disabled adults, as it clearly should.

We all know that a good education is key to enhancing life chances, and the Government have recognised that by extending to education the operation of the right for disabled people not to be discriminated against on the grounds of their disability—something that the original Disability Discrimination Act 1995 did not do. That is the purpose of the Special Educational Needs and Disability Act 2001. It is not, and was not intended to be, some kind of lurch into political correctness—a phrase to which the hon. Member for Shipley (Philip Davies) unfortunately referred in his remarks.

The 2001 Act is intended to provide a way to deal with the fact that society is increasingly realising the importance of not writing people off, and ensuring that all our citizens have the opportunity to develop to their full potential and to participate in all aspects of life. For disabled children, society has come to realise—it did not always do so in the past—that we must aspire for them as much as we do for any children, that we must nurture their potential and ambition and that we must remove the physical and attitudinal barriers that still too often get in the way of their being the best that they can be and participating fully in all aspects of life in our society.

That is the context in which we hold our debate today, and I hope that the hon. Member for Witney and I can agree about that. We are asking how, not whether, we can do the best that we can to support disabled children. I welcome this development; it is big a change in society's attitudes to disability over those displayed in previous decades. It is something that we as a nation should be proud of, and we should be trying to improve on it.

The hon. Gentleman raised some specific issues, particularly in relation to schools and inclusion. Before I deal with those points and do my best in the time available to deal with some points made by other hon. Members, I should reiterate the context in which we are taking such action. Progress has been made. According to Ofsted, between 2000 and 2003, the proportion of children with special educational needs judged to be making good progress grew from 54 to 73 per cent. in primary schools and from 43 to 71 per cent. in secondary schools. I doubt whether we could identify any other period when such rapid and significant improvements have been made by such children.

We should all welcome those improvements, which are the result of sustained focus, sustained action and increased resources being put into the sector in recognition of the importance of improving outcomes for those children. The Government have been responsible for some of that, but local education is organised locally, and many local education authorities and dedicated people in localities have also been responsible for making such progress.

The hon. Gentleman accepts that progress has been made. He said so in a debate in Westminster Hall last year. Although he was not concentrating on that aspect today, I am glad that he has acknowledged it. He is nodding now, which is good. He says that the Government's policy is one of inclusion at any cost and that, as a result, special schools are being closed. The Government's policy is one not of inclusion at any cost, but of choice for parents, so that they can choose either mainstream education where they want it and where it is appropriate—many of them make that choice, and it is appropriate—or specialist provision where that is more suitable.

It is categorically not the Government's policy to close special schools and enforce inclusion whether or not it is right for the individual child. Indeed, since the School Standards and Framework Act 1998 Ministers have not had the power to make decisions on school reorganisations and closures; those decisions are made locally. Nor was there any opposition from the Conservatives to devolving that responsibility to localities at the time. Furthermore, figures show that the rate of closure of special schools has halved since the change was made. Between 1986 and 1997, some 234 special schools closed. I gently remind the Opposition that it was their Ministers who made those decisions. Since 1997, some 93 special schools have closed, but on the basis of local decisions.

Many Members have powerfully pointed out that parents are concerned about the closure of any local school, but particularly special schools, which parents often feel they want to defend because they know and understand the quality of the provision there. I fully understand those concerns but make two points in response. First, local authorities have a duty to secure sufficient schools for the children in their area and must have particular regard to the need for SEN provision. When setting out how they will undertake that provision, they must listen to the views of parents. When closure is proposed, consultation with parents must occur. If there is a dispute, an independent adjudicator makes the decision. Some Members have pointed out that that process sometimes results in a change, and many Members will be aware of cases where plans have changed, sometimes out of all recognition, as a result of the consultation process.

That is not to argue, and I do not, that the process always results in the outcome that parents want. In Wandsworth, to refer to a recent example, many parents were dissatisfied with the outcome of the process, so I do not argue that it always results in perfection. Nor do I argue that SEN provision is perfect, but it is better than it was and we are determined to improve it.

[Maria Eagle]

The hon. Gentleman asked for a moratorium on closures, as did many of his hon. Friends. That might look good in a speech or a press release but I have major doubts as to its efficacy. My right hon. Friend the Minister of State said in her opening remarks that the hon. Gentleman was from the progressive left of the Conservative party. I think I would describe him as being from the statist left because he is actually arguing for the re-nationalisation of decision making on school reorganisation. He will be going into the leadership contest with the battle cry, "The civil servant in Whitehall knows best." I wish him luck in his quest. He is a brave man.

A moratorium would require primary legislation, so it will not be a swift option. Such a move would blight many excellent reorganisations, whether or not there was local controversy, for an indeterminate length of time.

Mr. Cameron: The hon. Lady makes me intervene. She says that I pretend that civil servants in Whitehall know best. Is not she aware that her guidance, "Inclusive Schooling", which she has not mentioned, states:

"This guidance . . . must not be ignored"?

That is the man in Whitehall. The guidance also states:

"The starting point is always that children who have statements will receive mainstream education."

That guidance is causing the problem, so why will not she withdraw it?

Maria Eagle: I appear to have hit a raw nerve. I was considering the hon. Gentleman's policy of a moratorium, which would be centrally imposed and against the wishes of many local authorities. The hon. Member for Shipley talked about collocation of schools, as did the hon. Member for Newbury (Mr. Benyon), but that could not be done if there were a moratorium. The House and the Government would be imposing the moratorium from the centre, so that prescription would not be as efficacious as the hon. Member for Witney appears to think.

The hon. Gentleman raised the issue of the national audit of low incident SEN support services and provision. He asked in particular why the audit was not wider in scope, a point made by several Members, including the hon. Member for Kingston and Surbiton (Mr. Davey). There has been an exhaustive review of special schools, which reported as recently as March 2003. The findings of that independent working group were incorporated in our strategy for SEN, "Removing Barriers to Achievement", published a year later, following extensive consultation. In my previous role in the Government, I was a signatory to that document. There has been extensive consultation before and since with teachers, schools, pupils, parents, local authorities, the voluntary sector and others, although my officials tell me that Conservative Members did not contribute. Perhaps they should have done, because we could then have heard some of their ideas at the time at which the review for which they now call was actually going on.

The Audit Commission raised its views on statementing and the success, or otherwise, of special education in its 2002 report. Work has been ongoing, so I am glad that the Conservative party and the Liberal Democrats have decided that it is about time that we had a review, albeit belatedly. However, work has been going on over the years and we have come up with our strategy, which we are now implementing.

We can all agree that it is a priority to ensure that all children reach their full potential and that the education system is a key determinant of our success in reaching such a goal. We can all agree that there is an emerging consensus that disabled children must have the same expectation of success and the same aspirations to develop to their full potential as any other children. If we do not ensure that that happens, we will be failing those people as a nation. We want them to take their rightful place in our society as the valuable citizens we all know them to be.

The Government are investing substantial additional resources in education—some £1,300 extra per pupil, or a 45 per cent. increase in real terms between 1998 and 2008. We want things to work for disabled children just as much as for their non-disabled peers. We are determined to ensure that the progress identified by Ofsted continues, so I hope that hon. Members on both sides of the House will support us in that endeavour.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 176, Noes 349.

Division No. 17] **[4.31 pm**

AYES

Adam Afriyie	David T.C. Davies *(Monmouth)*
Mr. Peter Ainsworth	Philip Davies
Mr. Amess	Mr. Quentin Davies
Mr. Ancram	Mr. Djanogly
Mr. Bacon	Mr. Dodds
Tony Baldry	Mr. Donaldson
Mr. Baron	Mr. Dorrell
Mr. Bellingham	Mrs. Dorries
Mr. Benyon	James Duddridge
John Bercow	Mr. Duncan
Sir Paul Beresford	Mr. Ellwood
Mr. Binley	Mr. Evans
Mr. Bone	Mr. Evennett
Mr. Boswell	Michael Fabricant
Peter Bottomley	Mr. Fallon
Mr. Brady	Mr. Mark Field
Mr. Brazier	Mr. Forth
James Brokenshire	Mr. Francois
Angela Browning	Mr. Gale
Mr. Burns	Mr. Garnier
Mr. Burrowes	Mr. Gauke
Alistair Burt	Mr. Gibb
Mr. Cameron	Mrs. Gillan
Mr. Gregory Campbell	Mr. Paul Goodman
Mr. Carswell	Mr. Goodwill
Mr. Cash	Michael Gove
Mr. Chope	Mr. Gray
Mr. Clappison	Chris Grayling
Greg Clark	Damian Green
Mr. Kenneth Clarke	Justine Greening
Mr. Clifton-Brown	Mr. Greenway
Derek Conway	Mr. Grieve
Mr. Cox	Mr. Hague
Mr. Crabb	Mr. Philip Hammond
Mr. Curry	Stephen Hammond

Mr. Hands
Mr. Harper
Mr. Hayes
Mr. Heald
Mr. Heathcoat-Amory
Charles Hendry
Lady Hermon
Mr. Hoban
Mr. Hollobone
Mr. Holloway
Mr. Horam
Mr. Gerald Howarth
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Miss Kirkbride
Mr. Greg Knight
Mrs. Laing
Mr. Lancaster
Mr. Lansley
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Malins
Mr. Maples
Mr. Mates
Mrs. May
Miss McIntosh
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. George Osborne
Richard Ottaway
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mark Pritchard
Mr. Randall
Mr. Redwood
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Andrew Rosindell
Mr. Ruffley
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Keith Simpson
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Mr. Swayne
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Mr. Ian Taylor
Dr. Richard Taylor
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Peter Viggers
Mrs. Villiers
Mr. Walker
Mr. Wallace
Angela Watkinson
Miss Widdecombe
Bill Wiggin
Mr. Willetts
Hywel Williams
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Jeremy Wright
Mr. Yeo
Sir George Young

Tellers for the Ayes:
Gregory Barker and
Mr. Peter Atkinson

NOES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Danny Alexander
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Norman Baker
Ed Balls
Gordon Banks
Mr. Barron
John Battle
Hugh Bayley
Margaret Beckett
Miss Begg
Mr. Beith
Sir Stuart Bell
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Mr. Blizzard
Mr. Blunkett
Mr. Borrow
Mr. Bradshaw
Tom Brake
Mr. Breed
Kevin Brennan
Annette Brooke
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Mr. Jeremy Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Mr. Burstow
Lorely Burt
Ms Butler
Mr. Byers
Mr. Byrne
Dr. Cable
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Colin Challen
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Tom Clarke
Mr. Clegg
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Yvette Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mr. Darling
Mr. Davey
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Tim Farron
Lynne Featherstone
Mr. Frank Field
Mark Fisher
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Don Foster
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Andrew George
Mr. Bruce George
Mr. Gerrard
Dr. Gibson
Sandra Gidley
Linda Gilroy
Mr. Godsiff
Paul Goggins
Julia Goldsworthy
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Hain
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Nick Harvey
Mr. Havard
John Healey
Mr. Heath
John Hemming
Mr. Henderson
Mr. Hendrick
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Mrs. Hodgson
Kate Hoey
Paul Holmes
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. Horwood
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Simon Hughes
Chris Huhne
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mr. Ingram
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeley
Alan Keen
Ann Keen
Mr. Keetch
Ruth Kelly
Mr. Charles Kennedy
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Norman Lamb
Mr. Laxton

Mark Lazarowicz
Mr. Leech
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Dr. Alasdair McDonnell
John McDonnell
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Alun Michael
Mr. Milburn
Edward Miliband
Andrew Miller
Mr. Austin Mitchell
Laura Moffatt
Chris Mole
Mrs. Moon
Mr. Moore
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Greg Mulholland
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Olner
Lembit Öpik
Sandra Osborne
Albert Owen
Dr. Palmer
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Mr. Prescott
Dawn Primarolo
Gwyn Prosser
Dr. Pugh
Mr. Purchase
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mr. Alan Reid
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mr. Rogerson
Mr. Rooney
Paul Rowen
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sanders
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Clare Short
Mr. Simon
Alan Simpson
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
John Smith
Sir Robert Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Steele
Graham Stringer
Ms Gisela Stuart
Andrew Stunell
Mr. Swinson
Mark Tami
Ms Dari Taylor
David Taylor
Matthew Taylor
Sarah Teather
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watson
Mr. Watts
Steve Webb
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt
Richard Younger-Ross

Tellers for the Noes:
Mr. Ian Cawsey and
Gillian Merron

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House believes that special schools play a vital role in meeting the needs of children with learning difficulties, acknowledges that parents may want mainstream or special schools for their children and notes that under the current statutory framework they have the right to express a preference for either; welcomes the Government's commitment to improving the range and quality of provision for children with special educational needs through its special educational needs strategy, Removing Barriers to Achievement, which followed wide consultation and a separate review of the role of special schools; rejects the call for further reviews and a moratorium on closures of special schools, since this would stifle reorganisation of local provision to meet changing patterns of need and halt the development of effective collaboration between mainstream and special schools; welcomes the Government's audit of provision for low incidence needs since it will contribute to more effective planning; and welcomes its determination to ensure that all children with SEN are able to realise their potential, wherever they are taught.

Electoral Integrity

Mr. Deputy Speaker (Sir Alan Haselhurst): Mr. Speaker has chosen the amendment in the name of the Prime Minister.

4.47 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): I beg to move,

That this House believes that the Government should rule out future use of all-postal voting and that any pilot schemes should be subject to explicit parliamentary ratification; regrets the unwillingness of the Government to adopt in mainland Britain the tried and tested Northern Ireland system of individual voter registration; condemns the Government's constitutional changes which have undermined democratic accountability, such as the introduction of proportional representation; and further believes that urgent steps are needed to restore public confidence and integrity in the electoral system and to increase the accountability of government.

The United Kingdom has held a reputation— *[Interruption.]*

Mr. Deputy Speaker: Order. May I say to hon. Members who want to pursue conversations that this is not in order? We are trying to proceed with the debate. May I please have quiet in the House?

Mr. Heald: The United Kingdom has traditionally held a reputation as a beacon of democracy and fair play, the mother of Parliaments. We have led the way in building foundations for democracy across the world. We have tended as a country to occupy the moral high ground and even to lecture other parts of the world on democracy. But the integrity of our own recent general election was dependent on overseas observers for the first time, from places like Serbia and the Ukraine.

Although Ministers insist that there was no widespread evidence of systematic election fraud, public perception has changed over recent months and years. It is clear that the Government's modernisation programme in this area has resulted in a collapse in public confidence and compromised the perceived integrity of the British electoral system. As the right hon. and hon. Members who are shaking their heads will know, a MORI poll in March this year found that 54 per cent. of the public think that postal voting has made it easier to commit election fraud, and an even higher proportion are concerned about fraud with electronic voting.

After the 2003 local election all-postal voting pilots, the Society of Local Authority Chief Executives warned the then Minister, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford):

"there is increasing concern about electoral fraud . . . we consider that the current position runs the risk of the whole electoral process being discredited. Confusion already exists among electoral practitioners and election agents, and a major scandal could bring representative democracy into disrepute."

The Government simply ignored its strongly worded warnings.

In the June 2004 elections, the Government imposed widespread all-postal voting in the face of cross-party and Electoral Commission opposition, choosing pilot regions on the basis of partisan advantage. The elections descended into such administrative chaos that even in the Deputy Prime Minister's own area, Hull, the election court had to annul a decision.

A judge recently highlighted the inherent risks in the current rules on postal voting, attacking Ministers for being in a state of not simple complacency, but denial:

"that there are no systems to deal realistically with fraud . . . would disgrace a banana republic".

New Labour should reflect carefully on those comments.

In 2004, the Labour party official postal voting handbook called for Labour activists to build their own ballot boxes to take to voters' doors:

"You could even have a ballot box for people to put their votes in which you can then deliver to the returning officer before close of poll. If your volunteers are wearing Labour stickers or rosettes it is unlikely that supporters of other parties will give you their votes."

Public confidence in the electoral system continued to decline in the 2005 election, as evidenced by the extraordinary scenes in Bethnal Green and Bow. The hon. Member for Bethnal Green and Bow (Mr. Galloway) has told me that he is on tour in the north of England and cannot speak in this debate, but when he gave evidence to the London Assembly, he discussed

"a major operation to bloat the electoral register with non-existent electors as part of a dirty tricks operation,"

and accused new Labour of

"ruthlessly using bullying, blackmail, postal votes operations—all the black arts you could imagine."

Mr. Nigel Evans (Ribble Valley) (Con): At least 100 of my constituents wish they had had postal votes, because they were refused access to a polling station because of huge queues and insufficient clerks to cope with demand. I have made representations to Sam Younger to ensure that local authorities have extra people available to allocate to areas of heavy demand. Does he believe that people like to go to polling stations to vote, which is a view that I have heard expressed on the doorstep?

Mr. Heald: It is a serious matter if people queue up around the block but cannot vote. I hope that the Electoral Commission examines that issue and takes account of my hon. Friend's idea.

The Government's decision to introduce the long-delayed electoral administration Bill is welcome. I also welcome the fact that the Deputy Prime Minister has been stripped of his responsibility for elections and postal voting, which is a long overdue vote of no confidence. Early-day motion 202 makes it clear that many hon. Members on both sides of the House are heaving a huge sigh of relief that he is no longer involved.

Although we support many of the provisions in the recent consultation paper, the proposed legislation does not go far enough.

Mr. David Heath (Somerton and Frome) (LD): I do not want the hon. Gentleman to move too far away from his friend, the hon. Member for Bethnal Green and Bow (Mr. Galloway). When he spoke to that hon. Gentleman, did he discuss the fact that, uniquely in modern history, he was elected with the support of only 18.4 per cent. of the electorate in his constituency? Does

[Mr. David Heath]

the hon. Gentleman believe that that is a genuine reflection of the political views of the people of Bethnal Green and Bow?

Mr. Heald: That is the sort of point that one might wish to address in a serious way had it come from any other part of the House, but it is rich coming from the Liberal Democrats, who believe in proportional representation, which can lead to extremist parties getting elected with only 5 per cent. of the vote.

Forced all-postal voting has been condemned by the Electoral Commission in two major reports and the public have no confidence in it. Is the Minister really unable to make a commitment to the effect that we have seen the end of it? Many Members of all parties are old-fashioned enough to think that there is something special about the traditional method of voting using the properly controlled polling station and the ballot box, and that if somebody wishes to use postal voting, that should be their choice, not something that is forced upon them. Even those who support it want it to be properly controlled.

Conservative Members also have concerns about the future use of other pilot methods, including remote electronic voting. We believe that the technology for e-voting is very insecure and that all the problems that one gets with postal votes would apply to the issuing of PIN numbers. One would end up with a double danger, not just a single one.

Steve McCabe (Birmingham, Hall Green) (Lab): Given the hon. Gentleman's concerns about postal voting, how many votes does he calculate the Tory party secured during the general election as a direct result of the mailshots from the Leader of the Opposition requesting individuals to fill in a postal ballot form, and, if they could not do it themselves, to find a friend to do it? Does he think that is a strange strategy to employ in relation to a system to which he is so opposed?

Mr. Heald: It would be surprising had we not said consistently, from the beginning, that we are not against postal voting—we are against ill-regulated postal voting that is not properly controlled. That is why today, as before, we propose that there should be proper safeguards, which even now the Government are not prepared to introduce.

Miss Julie Kirkbride (Bromsgrove) (Con): One would have thought that the hon. Member for Birmingham, Hall Green (Steve McCabe) would be much more concerned about representing a local authority area that was described as a banana republic in the recent judge's report on the activities that had taken place.

I am encouraged by our stand on how we want the process tightened. Does my hon. Friend have more to say about the electoral court, which will look at some of the general election results with regard to postal voting fraud? What does he think we should do about that?

Mr. Heald: My hon. Friend makes an excellent point. I cannot make a close examination of those cases at present because of the sub judice rules, which we all respect in this place. However, there is no doubt that there are considerable risks and that judges have made serious condemnations of how the Government have handled the whole matter.

Let me say a few words about pilot schemes. It has got to the point where pilot schemes are becoming the norm in some elections, and greater scrutiny is required. The law needs to be amended so that secondary legislation is required to ratify a pilot scheme. It is not acceptable that powers that were originally intended to allow for trial and experimentation in very tight circumstances should now be used to make near-permanent changes to the system.

It is not only the postal voting system that is unsafe and inadequate. Perhaps most important, the registers on which we depend for our system are in a poor state. Last year, a *Daily Mail* investigation found that the paper could register a fictitious student called Gus Troobev, an anagram of "bogus voter" on 31 electoral registers in a few hours. In Cheadle, one of the most marginal constituencies in Britain, the paper was able to obtain nine further bogus votes. The Conservative candidate and former Member of Parliament, Stephen Day, had to contact Stockport's Liberal Democrat council, after obtaining the names from the *Daily Mail*, so that they could be removed from the register.

A journalist from *The Sunday Telegraph* was able to apply for the postal ballot papers of 36 voters to be sent to one address. The *Evening Standard* was able to apply for postal votes diverted to bogus addresses simply by using an application form from the internet. A Sky News investigation managed falsely to obtain multiple votes in two constituencies with no proof of identity and, more than a year ago, Marion Roe, who was then a Member of Parliament, produced evidence in a debate in Westminster Hall that electoral registers were up to 10 per cent. inaccurate, containing thousands of names of voters who were not truly entitled to vote.

Democratic legitimacy derives from individual citizens' belief that their system is fair and secure. Although the Government's proposals to collect signatures and dates of birth would be an improvement, there remains no independent verification of the existence of those on the electoral register.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): The hon. Gentleman criticises the electoral process in this country. We have recently had the biggest test of electoral opinion through a general election, yet so far he has given the House only one example, from the hon. Member for Bethnal Green and Bow (Mr. Galloway), of alleged irregularities in that constituency. If the problem is so widespread, I presume that he can give us a list of other constituencies about which he has anxieties. Has the Conservative party lodged an election petition against the result in any constituency?

Mr. Heald: I cannot go into the details of electoral petitions any more than the hon. Gentleman, because of the rules of this place. If he is satisfied that there is no risk, given the events in the local elections of 2004, he is one of a small number of people.

Mr. Andrew Robathan (Blaby) (Con): I am sorry that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) has left to answer his telephone, because when the Birmingham scandal was announced by the judge, Richard Mawtrey, the right hon. Gentleman made a statement. He said that, when individual registration was introduced in Northern Ireland, the register got smaller. Why did he believe that there were fewer people than before on the register in Northern Ireland under an individual registration system? I am glad that he has now finished his telephone call.

Mr. Heald: My hon. Friend gets to the nub of an important point. The Northern Ireland Office stated:

"the Government is satisfied that these measures have been extremely successful in substantially improving the accuracy of the electoral register in Northern Ireland."

Yet right hon. Members tried to suggest that there was something wrong with what happened in Northern Ireland. Northern Ireland now has an honest register.

Mr. Eric Pickles (Brentwood and Ongar) (Con): Does my hon. Friend accept that false entries on the electoral register are not made simply to influence membership here or on councils or to entertain tabloid journalists, since registration is a prerequisite of establishing a credit rating? The problem goes far wider than electoral fraud.

Mr. Heald: That is true. Examples of individuals who were not entitled to vote came up during the election campaign, but they had tried to register not in order to vote but in order to apply for credit. I do not mind if they want a platinum card, but I mind that the risk exists.

Recently, *The People*—that great organ—conducted an analysis of the electoral roll. It uncovered names such as Donald Duck and Jesus H. Christ. Perhaps they are genuine, but I suspect that the entries at a student address in Southampton, including Hooty McBoob and Gailord Focker, while not evidence of sinister malpractice, are not. One does suspect that these people do not exist.

Mainland Britain needs the Northern Ireland system of individual registration. In the Province, voters need to provide a signature, a date of birth and a national insurance number to register. The national insurance number is used to check that the elector exists. Such identifiers are then used to verify postal votes. Ministers were initially reluctant to use national insurance numbers, but there was considerable debate on the issue in the other place. I pay tribute to my noble Friend Lord Glentoran in that regard. The Minister in the other place, Lord Williams of Mostyn—whom we all miss and who was a very good spokesman for Labour in the other place—accepted the argument that there was no independent method of verification. He insisted that national insurance numbers should be used, which was the right thing to do.

Dr. Alan Whitehead (Southampton, Test) (Lab): Is the hon. Gentleman saying that the system has suddenly become as he is describing it, or that it has always been that way? In fact, the method of registration has been as it now is since the Ballot Act 1872. Is he suggesting that the proposed system would fundamentally change a system that has always been subject to the problems that he has outlined, or does he believe that these problems have suddenly started to occur in the past two years?

Mr. Heald: It is hard to tell whether the situation has got worse or whether it has always been bad, but that is not the point. The point is that, if the Government are going to introduce a system of mass postal voting and want to leave open the option of all-postal voting, as the Minister does, we must have a register on which we can rely. At the moment, we do not have one, which is why we want to implement certain changes.

Several hon. Members *rose—*

Mr. Heald: I want to make some progress.

If we adopted the Northern Ireland system in this country, we would have a much more effective control. Furthermore, non-UK voters should have to provide proof of citizenship. Points have been made about asylum seekers and other people from overseas who live in our country, but we must do something to tackle the problem of people who sign up to the register simply for consumer credit purposes when they are not entitled to vote.

If we had a tighter system of registration, we would feel much more confident in the electoral system. The general election also brought into focus wider problems in the electoral system.

Bill Wiggin (Leominster) (Con): My hon. Friend touched on the subject of people who are entitled to vote in European elections finding themselves with polling cards at the general election. That caused those people great discomfort, because they felt that the Government and the local authority should not encourage them to vote in that way. My local authority conducted compulsory postal voting for the local elections, and a great number of my constituents wanted to know why there could not be ballot boxes as well. Will my hon. Friend say something about that?

Mr. Heald: I believe that it is a fundamental right to be able to choose to vote in the traditional way.

At the general election, the Conservative party scored more votes than Labour in England, but won 93 fewer seats, but that is not an argument for proportional representation, as *The Independent* has claimed. The use of PR in Britain has already undermined democratic accountability, without bringing about any increase in electoral turnout. It also prevents voters from removing an Administration, since it creates perpetual coalition Government. An unpopular Administration can be kept in office by a minor party, despite the desire of the people to kick the rascals out.

Proportional representation also leads to a highly disproportionate relationship between the number of votes cast and the share of Executive power, by making minority parties the power brokers in Government. It also destroys the constituency link between the elected representative and their voters. Under first past the post, each voter can identify the person responsible for looking after their interests. Under PR systems, either constituencies are massive, with multiple members, or there is a group of representatives selected from a party

[Mr. Heald]

list, accountable primarily to their political party. PR systems can allow candidates to be elected with as little as 5 to 8 per cent. of the vote, opening the door to extremists. A ridiculous situation can arise in which the most popular local politician is not elected and no one's vote counts for anything, because every vote is simply a mandate for negotiation.

Mark Tami (Alyn and Deeside) (Lab): I agree with everything the hon. Gentleman said about PR, but he obviously wants to put more obstacles in the way of participation in voting. Does he accept that we must do something about the hundreds of thousands of people who are not on the register? Should we not encourage them to get on it?

Mr. Heald: I am in favour of proper campaigns to ensure that as many people as possible who are entitled to vote register to do so. If the changes that I suggest were introduced, it might be a good thing for an extra effort to be made to find those people and ensure that they register. It might even be a good idea to canvass twice during the year. What I do not accept is that people who are not entitled to vote should be able to register. It is completely unacceptable for registers to be inaccurate by as much as 10 per cent.

In the 2005 general election, across England, the average electorate in constituencies that elected Labour MPs was 67,500, while in Conservative constituencies the figure was 73,000. Boundary Commission regulations should be amended to ensure that maintaining an equal quota has primacy over other considerations, and they should allow county boundaries to be crossed. There should be more up-to-date information about the size of electorates towards the end of the boundary review process to avoid the drawing up of constituencies on the basis of data from the start of the review that subsequently becomes out-of-date. That would be a fairer system, as it would ensure that each elector had the same level of parliamentary representation.

Mr. Andrew Turner (Isle of Wight) (Con): That is an important point. Does my hon. Friend agree, however, that the standard quota should extend not just across England but across the United Kingdom? Is he aware that, of the 10 largest seats in this Parliament, all are in England and all but two are represented by Conservative Members, whereas, of the 10 smallest seats, none is in England and none is represented by a Conservative?

Mr. Heald: I am aware of that and I agree that we should have a quota that is fair and equal across the United Kingdom, although in the Isle of Wight and one or two other constituencies where it is geographically difficult to achieve an exact electoral quota, special arrangements may be needed.

Mr. Andrew Love (Edmonton) (Lab/Co-op): In my constituency, just under 10,000 electors are missing from the census, and 6,000 have disappeared over the past six years. Is that not a major contributory factor in the difference in size between electorates? Does the hon. Gentleman accept that conducting two canvasses rather than one is simply not adequate to the need in that context?

Mr. Heald: I think the hon. Gentleman and I agree that we need a much more active campaign to ensure that people who are entitled to vote are registered to do so. What is not acceptable is a situation in which, typically, there are inner-city seats with 51,000 electors, and county and rural areas where the average is 73,000 or 74,000. That is not equality between electors. Each elector should have the same level of parliamentary representation.

It has become clear that the Government's obsession with electoral modernisation has compromised Britain's traditional reputation for free and fair elections, and undermined the integrity of the system and public confidence in it. We were proud in this country to put behind us the electoral practices in the rotten boroughs of the 18th and 19th centuries—the intimidation, fraud and risk. I for one would be very sad, and I am sure that this view is shared by hon. Members on both sides of the House, if that became the hallmark of the 21st century. That is why it is time for the Government to stop fiddling with our constitution for partisan advantage. It is time to protect people's right to vote in person and in secret. It is time to restore confidence, integrity and accountability to British democracy.

5.15 pm

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): I beg to move, To leave out from "House" to end, and insert:

"believes that the General and local elections were safe and secure, and produced results that were fair and accurate; recognises that public confidence in the electoral process is paramount; and believes that the Government's constitutional changes have strengthened democratic accountability, bringing our institutions closer to the people."

Although I regret the tone of the speech of the hon. Member for North-East Hertfordshire (Mr. Heald) and take issue with many of the swingeing, unsupported and unsubstantiated assertions that he made, I welcome the subject that the Opposition have chosen for today's debate. It is timely, coming barely a month after the general election, and it is an opportunity for me to set out our approach. We will draw on the great experience in the House and beyond. We will be guided by the principles that I believe we all share. We will found our proposals on evidence and proceed by way of consultation.

John Hemming (Birmingham, Yardley) (LD): You say that you will found your proposals—I am sorry. She says that—

Mr. Deputy Speaker: Order. Although I think that the hon. Gentleman is just getting to the point, he should be referring to the right hon. and learned Lady.

John Hemming: The right hon. and learned Lady says that she will found her proposals on evidence, but the Government do not collect the evidence that is necessary to identify a problem. People get disfranchised because they have a postal vote that they do not receive, they turn up to vote on the day of the election and are told by

the presiding officer that they have to go away and are not entitled to vote. No record is kept of that. The Government keep no record of how many times that has happened, as I learned after I tabled a written question. There is an underlying problem when the Government are not collecting the evidence in the first instance.

Ms Harman: I welcome the comments and information, drawn from the hon. Gentleman's own experience, that he has already given us. We are genuinely interested in hearing what the concerns are and hearing evidence. We are taking action and consulting on proposals that we hope will deal with those matters. It is true that not enough evidence is routinely collected about the problems in the system. I accept that point.

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): Is the Minister aware that, in Birmingham at the last general election, 185 people turned up at the 90 polling stations in the city saying that they wished to vote and were told that they were on the postal vote list? Is she also aware that the chief returning officer of Birmingham city council instructed her staff at the polling stations to keep a list of all those people? I am surprised that the hon. Member for Birmingham, Yardley (John Hemming) did not know that, seeing that his administration was running the city council during the elections.

Ms Harman: My hon. Friend makes an important point and we must consider all those issues. I look forward to hearing speeches from hon. Members on both sides of the House. As I said, we will found our proposals on evidence, wherever we receive it, and proceed by way of consultation. Our objectives are to ensure that we take action to tackle the scandal of the possibly millions of people who are entitled to be on the electoral register but are not and so are not able to vote; to ensure that we will have more secure voting; and to ensure that we increase the turnout.

David T.C. Davies (Monmouth) (Con): Will the Minister give way?

Ms Harman: I will, but I do not want to make too lengthy a speech. If there could be fewer interventions, or at least if I could answer them more quickly, I would be able to get on with my speech.

David T.C. Davies: I am grateful to the right hon. and learned Lady for giving way again, but does she share the concern of many people that, while it has been easy for large sections of the population to get on the register, it has not been easy for members of the armed forces? Given that members of the armed forces are serving around the world, carrying out the instructions and will of her Government, is it not shameful that so many of them were left off the electoral roll and were unable to vote in the last election?

Ms Harman: I agree with the substance of the hon. Gentleman's point about service personnel, which I will deal with in due course. If I may, I should like to make some progress. I anticipate that my speech will deal with many of the points that Members want to make.

So our three objectives are getting people who are entitled to vote on to the register, establishing a voting process that is more secure, and increasing turnout. The legitimacy of our system depends on making progress in all those areas. There is a great wealth of election experience in all parts of the House. I am by no means the longest serving Member of this House, but I have been returned in seven elections, and the Under-Secretary of State for Constitutional Affairs, my hon. Friend the Member for Lewisham, East (Bridget Prentice), who will respond to this debate, has been a candidate in five general elections and in many local elections. There is a wealth of experience in this House, but also beyond it. We need to draw on the experience of our colleagues in local government, the Scottish Parliament, the Welsh Assembly, the European Parliament and the political parties—not just the organisers, but the vast army of volunteers who do so much to make the electoral system work.

I believe that we all share a commitment to a system that allows everyone the right to vote and is secure against fraud. While there should be no party difference on that point, the constituencies that we represent are very diverse—a fact that affects Members' approach to these issues. For example, more than a third of my constituents were not born in the United Kingdom. My constituency, which has a high population turnover and many people struggling on low incomes, is very different from that of the hon. Member for North-East Hertfordshire. It also differs from the constituency of the hon. Member for Somerton and Frome (Mr. Heath), where, the electoral system must work for a population which, although stable, is very widely scattered. In some constituencies, the issue of student voting is very important; in others, the issue is the ability of servicemen and women to vote. The essential principles of our electoral system must be applied in all constituencies, not just some.

The different concerns of Members in all parts of the House arise principally from the differences in the constituencies that we represent. We must acknowledge and respect those differences. Those in whose constituencies there is proven fraud should acknowledge that that is not the case everywhere. Those in whose constituencies fraud does not exist should not deny the need for robust anti-fraud systems. Those whose constituencies have no problem with under-registration should not deny that it is a huge problem in others. As I have said, probably more than 1 million people who are entitled to vote are not registered. The point is that both security and access to voting matter. Measures to tackle both issues must be adopted, and they must be proportionate and sensible.

We will proceed on the basis of considering the evidence. We will respond to headlines, but only because we recognise that when they overstate the problem of fraud, we need to do what we can to reassure the public and to sustain confidence. We will not be complacent but nor will we panic, and we will proceed by way of consultation. We issued a policy paper last month and we are consulting on it. We are still considering the responses, so I have no further announcements to make today. However, I intend to listen carefully to this debate. I want to hear the speeches not only of Front Benchers, but of all Members in all parts of the House, so I will stay for the whole debate. We have also

[Ms Harman]

consulted by way of meetings and discussions with Members from all parties. I want to thank all those Members who have written to me and taken the time to give me their views in meetings. I believe that I am the only person to have invited the new Conservative Members to a meeting who is not also running for the Tory party leadership.

We will continue to consult. We must have a system *that ensures that all have the right to vote, which is not* currently the case. As I said, there are probably more than a million who cannot vote because they are not on the register. That not only affects individuals who lose their right to vote, but undermines the basis on which the boundary commission does its work. That is why it is so important.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I hope that the Minister recognises, as did two Committees in the last Parliament, that if we go for individual registration, for which there is a very powerful case, it will be essential to adopt various forms of data sharing to ensure that people are not left off the register. At least some of those who were left off the register in Northern Ireland were probably not on it fraudulently in the first place.

Ms Harman: I pay tribute to the report produced by the right hon. Gentleman's Select Committee. It covers many important areas and we shall shortly be responding to it. It pulls together a great deal of information that had previously not been brought together as a basis for discussions and debates in the House.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Following what the right hon. Member for Berwick-upon-Tweed (Mr. Beith) said, is my right hon. and learned Friend aware that, having successfully fought even one more general election—albeit including a by-election—than she did, I like many others, have considerable experience in these matters? I have to say that the state of the electoral register for the last general election was the worst I have known it throughout my entire period in Parliament. We must place a much greater onus of responsibility on electoral registration officers to be proactive—including data sharing, where necessary. They must keep the registers up to date, accurate and correct in every respect, and they must report on the extent to which the registers are correct. Does the Minister have some proposals to deal with that matter, about which I have written to her?

Ms Harman: May I thank my hon. Friend for his letter and say that his point is echoed in the Select Committee report. I have asked officials in my Department and the Electoral Commission to look further into how data cross-checks could both ensure that gaps on the register are filled and be a vehicle for detecting fraud.

Mr. Jim Cunningham (Coventry, South) (Lab): When the Minister follows up the matters raised by my hon. Friend the Member for Coventry, North-West (Mr. Robinson), will she also look into another problem of which many hon. Members, particularly those in Coventry, are aware? I refer to the reduction in the number of polling stations. Has it been done to make savings or is it geared up to encourage more people to vote? It has led to problems in Coventry, particularly for ethnic minorities. In the last election, many ethnic minority women had to walk very long distances to vote. I hope that the Minister will respond and do something about that.

Ms Harman: My hon. Friend makes an important point about access to polling stations. There is also the problem of access to the electoral register. The Select Committee report mentioned that the latest estimate of the number of new Commonwealth citizens not registered is 36.6 per cent.

We will all have experienced visiting a polling station on election day and being told by a constituent, "I have come down to vote, but they won't let me. Can you please do something about it?" We check the register and say, "Sorry, but the person is not on the register."

We are then told, "But the council has just sent me a bill for my council tax. How can I not be on the register?" There is a real prospect for data sharing to provide more complete registers and to check fraud. The exercise that one has to go through to get child benefit or a driving licence is much tougher than anything even the hon. Member for North-East Hertfordshire is suggesting for tightening up the electoral register.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Many of the questions that the Minister is trying to answer are covered in "Securing the Vote"—the Electoral Commission report of May this year. It suggests 11 main points as a way forward and I wonder whether the Minister's Department has had time to look at and assimilate those points. If so, does she intend to enact any of them?

Ms Harman: Yes, we have looked at and assimilated them. The hon. Gentleman will see that some of them are reflected in the policy document that we sent him and all other hon. Members. He is welcome to contact me again, either in person or in writing, to tell me what he thinks of the Electoral Commission's views. The Electoral Commission has important information to supply and plays a very important role, but at the end of the day, Members of Parliament have to decide on the law and how to operate it.

Mr. Love: My right hon. and learned Friend has spoken eloquently about the democratic deficit caused by the million or so people missing from the register. Before she considers erecting any more hurdles for people wanting to join that register, will she use the evidence that she has cited to ensure that the measures do not put more people off?

Ms Harman: My hon. Friend raises an important point. We need to achieve a more secure voting system and get more people on the register. It is not a matter of one or the other: we need to approach both problems on the same basis.

Once again, the Opposition have renewed their attack on all-postal voting. As the House knows, the Government are consulting on action for greater

security for postal votes. The hon. Member for North-East Hertfordshire does not need to urge us to look at that matter, as we have already agreed to do so, but we must do all we can to ensure higher turnouts. So far, all-postal voting has produced higher turnouts.

In the light of concerns that we all have about falling turnouts, we will not change the provisions of the Representation of the People Act 2000, which allow the Secretary of State to agree to applications for all-postal voting in areas that want it. The hon. Member for North-East Hertfordshire asked for such applications to be allowed only under secondary legislation. I can tell him that today I have been considering an application from King's Lynn, where a parish council by-election is due to be held. In the past, the parish concerned has had some by-elections that involved all-postal voting, and some that did not. No complaints have been made about all-postal voting, which has led to turnouts of 33 per cent. By contrast, by-elections there that have not involved all-postal voting have achieved turnouts of only 11 per cent. Given that the parish is asking to be allowed to hold an all-postal vote, we should not tie up those responsible for holding the election with parliamentary problems. We should be satisfied that there is a consensus among people in that little area in favour of all-postal voting, and that it would be a bit heavy-handed of us to deny them the opportunity.

Mr. Heald: The Government set up the Electoral Commission to provide advice on these matters. Why will the right hon. and learned Lady not accept its recommendations on all-postal voting and individual voter registration? Why will she not do what the Government conceded was the right thing in Northern Ireland?

Ms Harman: Advisers have the responsibility to advise, and we welcome and respect their advice. It is the responsibility of the Government to bring proposals to this House, and it is the responsibility of this House to decide.

The Tory motion attacks our introduction of proportional voting systems in the devolved Administrations for "undermining democratic accountability". I confess that I am slightly baffled. In his speech, the hon. Member for North-East Hertfordshire mounted full-blooded onslaughts on both proportional representation and the first-past-the-post system. I am therefore baffled as to what he proposes—

Mr. Heald: I love first past the post.

Ms Harman: The hon. Gentleman says he loves the first-past-the-post system, but I am sure that he does not love the result of the general election.

My officials are examining the data relating to the new voting systems for the devolved Administrations. Of course it makes sense to review our experience of different electoral systems, as well as looking at the experience abroad. However, I cannot help reflecting that it is curious for the Conservative party to say that proportional voting in the devolved Administrations undermines accountability and leads to extremism.

If the Scottish Parliament were elected on the first-past-the-post basis, the Conservatives would have only three seats, whereas the proportional system has given them 18. In Wales, the Conservatives would have only one member of the Assembly under the first-past-the-post system, whereas the proportional system has given them 11. Without proportional representation, even the leader of the Conservatives in Wales would not be in the Welsh Assembly.

One effect of the proportional voting system in Scotland and Wales has been greater Conservative representation. Is that what the Opposition mean by "undermining accountability"?

Dr. Julian Lewis (New Forest, East) (Con): Will the right hon. and learned Lady give way?

Ms Harman: In a moment. Although I am sure that it would cause no concern among Labour Members to lose Tory representation in England and Wales, it is strange to hear that that is Opposition policy.

Dr. Lewis: The right hon. and learned Lady finds such things strange, but we take a principled position that, if a system is wrong, we should not abide by it, even if it benefits us. She said that one of the effects was that the Conservatives won more seats. Another effect is that the Liberals, who come third and fourth in such elections, get into government. Those are wholly disproportionate results.

Ms Harman: As I have said, we are reviewing the data on how the new systems that we have introduced operate in the devolved Assemblies.

Whenever anyone debates politics and elections in this country, they talk about trust—trust in politicians, trust in the system of government and trust in the voting system. No single policy or Minister can transform the self-evident problems that all of us, of whatever party, face in that regard, but we need to ensure that the system of voting—from the compilation of the electoral register and the distribution of postal votes to the counting and declaration of results—enjoys the fullest possible respect and trust in the nation.

The Government are considering a range of measures—not just in my Department, but across government—to ensure that citizens are more engaged in our political processes and the decisions that affect their lives. Britain rightly takes pride in our democratic traditions based on fairness, the secret ballot and universal suffrage. This Labour Government take an equal pride in our longstanding dedication to democracy and will do everything to protect those fundamental principles.

5.36 pm

Mr. David Heath (Somerton and Frome) (LD): I welcome the debate and the contribution made by the Minister of State. I have said before, but I will say it again, that it is high time that we had in this House a Minister of her seniority from that Department and that the Department for Constitutional Affairs had repatriated to itself responsibility for these matters, rather than their being spread across other Departments. Both those things are welcome, as was the tenor of the right hon. and learned Lady's speech.

[Mr. David Heath]

I was not quite so happy with tenor of the response given by the Prime Minister during Prime Minister's questions earlier today, when in an overdose of either bombast or complacency—it was hard to tell—he appeared to suggest that the governance of Britain was a low priority for his Government. The mechanisms of the governance of Britain are absolutely integral to everything that we do in the House and everything that the Government do.

We should be extremely concerned about the consequences of the last election, which have provoked comments, from a highly regarded national broadsheet paper that it was a "subversion of democracy"; from the Electoral Reform Society that it was "the worst election ever"; and that

> "In some parts of the country there is a real feeling of alienation, of reluctance to participate in our democracy",

which came from the Leader of the House. So there is a real issue to be faced.

Mr. Kevan Jones (North Durham) (Lab): Will the hon. Gentleman give way?

Mr. Heath: Just let me get my introduction over and done with, and then I shall give way to the hon. Gentleman.

There is an unfortunate degree of complacency. The assumption is that because, happily, this country was the birthplace of modern democracy, our systems are necessarily robust and right. Those of us who have represented Parliament in monitoring elections abroad—the hon. Member for North-East Hertfordshire (Mr. Heald) made this point—know that what we look for in an adequate electoral system are things such as a registration system that neither under-registers people who are entitled to vote nor over-registers those who are not entitled to do so and a robust and replicable identification system for voters. We look for the opportunities for fraud that the system offers. We look for abuses of the rules by political parties and others. We consider whether there is an independent electoral commission of which that country's Government take proper notice and whether the voting system properly reflects the views of the electorate. Judged on those criteria, it is hard to see how this country could pass such a test at present.

Mr. Kevan Jones: Does the hon. Gentleman agree that some of the sensationalist headlines that he has just read out do not mirror the facts? For example, the Electoral Commission's report on postal voting found little wrong with the system in terms of fraud—except, obviously, in Birmingham. We should not get carried away by the headlines; we should look at the facts.

Mr. Heath: I agree, and had I carried on a little longer before taking the hon. Gentleman's intervention I would have said that actually—miraculously, given the openness of our system to fraud and malpractice—most of our electoral practice is correct and proper. People respect the rules. But we are very foolish and myopic indeed if we do not realise that we are laying ourselves open both to the charge that our system lacks integrity and to the reality that if people want to abuse the system they can do so with relative impunity, notwithstanding the high profile cases that have done such a great disservice to the confidence of the public in our system.

Mark Tami: The hon. Gentleman suggested that we should look at other countries. Perhaps we should look at Australia, which has a legal requirement that people take part in elections and where there are turnouts of well over 90 per cent. Any attempt at fraud is lessened because there is such a huge turnout.

Mr. Heath: There has been a longstanding argument about whether we should have compulsory voting. I am not persuaded, and although I agree that it increases turnout because people are fined if they do not vote, it does nothing to maintain the integrity of the system unless other factors are in place.

Notwithstanding the contribution of the Minister's and the fact that she clearly intends to introduce legislation, which I hope we shall all be able to welcome, I have one major criticism of the Government's position: they did not do much for public confidence in the system, or indeed the integrity of the system, by their conduct during the passage of the European Parliamentary and Local Election (Pilots) Act 2004, on which I represented my party. The Government's attitude was characterised by the fact that they ignored the recommendations of the Electoral Commission and the clear advice of parties in this and the other place. The Government went ahead with what they had intended to do in the first place, which left them open to the charge that they had acted for partisan purposes rather than having the integrity of the system as their main objective.

Steve McCabe: May I return to the list of factors that the hon. Gentleman suggested we look for when observing elections in another country? I am happy to say that I agree with all of them, but I noticed that he did not include intimidation, which we should almost certainly be looking at in those circumstances. Does he accept that it is important, and indeed beholden on all of us in this place, to make sure that when we are describing fraud or malpractice we do not exaggerate it? We should not distort the evidence or use newspaper headlines for political advantage. If we do, we intimidate elderly people into not taking up their legal democratic right to a postal vote, as some people fear happened during the recent election. It certainly happened in Birmingham, owing to the disproportionate attention to what happened in two local government wards.

Mr. Heath: The hon. Gentleman should take care about using the word "disproportionate" to describe convictions that were properly made in Birmingham and the facts revealed in a court. It is proper that such matters should be correctly reported and described. In other senses, however, I agree with him. Intimidation is a factor that we need to deal with, and later in my remarks I shall set out what all political parties should be doing about it.

John Hemming: Will my hon. Friend accept that Birmingham is perhaps unique in its commitment to dealing with electoral fraud, rather than unique as a

place where electoral fraud occurs? Does he agree that there is evidence that electoral reform increases turnout by 20 per cent. in G8 countries and on average by 10 per cent. in other countries? If the Government were really committed to increasing turnout, they would introduce electoral reform.

Mr. Heath: I agree with my hon. Friend and shall return to that point in a moment. Three things are essential to voters when they cast their ballots in elections. First, they must know that their votes are counted properly. Secondly, they must know that their votes will count, which relates to the point made by my hon. Friend. Thirdly, they must know that the person whom they elect counts and that a proper representative democracy is able to do its job in this place—although the hon. Member for North-East Hertfordshire perhaps elided that point.

Dr. Julian Lewis: Before the hon. Gentleman moves on, may I refer him back to a couple of interventions that he took from Labour Members? They did not seem to dispute his point that the system is wide open to fraud, but simply tried to say that not many cases of that fraud had yet been discovered. When designing an electoral system, surely the point is that it should not be open to fraud and that it should not be incumbent on us to do the work of detectives to determine whether fraud is being committed. The point is that if fraud can take place, it might be committed without us knowing about it, so we should close the loopholes.

Mr. Heath: I agree with the hon. Gentleman up to a point, although we live in the real world, so we would not be able to devise a system that would be wholly impossible to defraud. However, we must make it as difficult as possible to commit fraud, which is why the Electoral Commission's recommendations on individual voter identification and strictures on all-postal voting are extremely sensible. I regret those strictures because we have had a successful all-postal vote in my constituency, but clearly the system has not worked satisfactorily in all parts of the country. We should bring in additional anti-fraud measures. We all face the problem that if the system is open to malpractice, as sure as eggs is eggs, someone will attempt to abuse it.

We currently do not know the extent of electoral fraud because until now we have taken the fairly Pollyanna-ish view that this is Britain and such things do not happen here. There is now evidence that such things do happen here, although we do not know to what extent because we do not have the mechanisms or audit systems to find out. I hope the thrust of the legislation that the Minister of State will bring forward will be to put appropriate systems in place and that all parties will be able to support her proposals. However, when that happens, all political parties will have the further requirement to take the matter seriously. I say all political parties because there is not one single political party that is not open to such abuse. Indeed, I suspect that there is not one party in which there has not been an incident of a person abusing the system.

Part of a discussion that I had with the Minister of State the other day was the point that parties should have zero tolerance of such abuse. If people bend the rules, we need to make it clear that they no longer represent our party, the Conservative party, the Labour party, or any other party for which the democratic process is important. I am not only talking about the postal vote rigging that we have heard about, because we as politicians know that all sorts of abuses are possible. Incidents of votes being farmed in old people's homes have been reported over the years and it is time that that stopped. If anyone knows that it is happening, it is time for them to report it to the appropriate officers and for appropriate action to be taken in the relevant political party. People might receive an extra polling card and have the simple temptation to run down the street with it to get an extra vote, but it is not good enough to say that on the fringes that will not make a difference to the result, because it will—every single vote counts, so every single vote must be a properly registered vote.

We need to examine some of the rules—this is the last point I shall make about constituency elections—that are still very lax. It might be said that my party would say that. We have funding limits for expenditure in elections in constituencies. We all laboriously complete forms after an election declaring what we have spent. We have to register every penny. We do that while other national parties put huge expenditure into a limited number of marginal constituencies across the country. That expenditure is vastly out of proportion to anything that is spent locally. How is that anything other than an abuse of the system and of the rules that we have in place?

Richard Younger-Ross (Teignbridge) (LD): Does my hon. Friend agree that it would be wrong for a party to put out four letters by its national leader targeted to more than 50 per cent. of the voters, to put about a leaflet hand delivered and paid-for-delivery throughout the campaign and to put two advertisements in local newspapers, all purporting to be part of the national campaign, which have not had to be accounted for as part of local expenditure? This is a trend. I am not naming only one party. It is a trend among all parties. Does my hon. Friend agree that it is a distortion of the process?

Mr. Heath: I think that it is a distortion. I think that the three parties represented in the Chamber at present are guilty of it to differing degrees because we have different assets to our names. Nevertheless, we are guilty of it and it is time it stopped. It is also time the rules reflected that.

I shall move on quickly because I know that many Members wish to speak. I am aware that I have taken many interventions.

There is the issue about making votes count. Perhaps I might be expected to say this, but I am provoked to say it by the hon. Member for North-East Hertfordshire putting into his motion—and therefore making it one that I am incapable of supporting—adverse comments on proportional representation. We have just had a general election where the turnout was 61 per cent. The Labour party, which formed a Government, achieved a 67-seat majority on 36 per cent. of the popular vote, representing just 22 per cent. of the electorate. That is the lowest figure since the Great Reform Act of 1832. That is a preposterous result for anyone who considers it sensibly.

[Mr. Heath]

The hon. Gentleman was complaining about the fact that the result did not reflect the fact that the Conservatives had a majority of the votes in England. He is right to complain, but he cannot see the elephant invading his bedroom, which is that the answer is to have a system that properly reflects the weight of votes cast rather than the first-past-the-post system. There was a majority of the popular vote for the Conservatives in England yet the Conservatives have no representation in any of our great metropolises outside London.

Let us consider the rural shires. In Cumbria, the Conservatives were the most popular party, with 38.2 per cent. of the vote, yet they had only one seat to show for it at the end. There were four seats for the Labour party and one seat—it was an excellent win—which was gained by my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron). That is hardly a reflection of the Conservative vote in Cumbria.

In Cornwall 82,543 people voted Conservative. That was 31.8 per cent. of the electorate. The Liberal Democrats took five seats out of five and the Conservatives had no representation in Cornwall. In Cambridgeshire, 74,521 people voted for Labour. That was 24.7 per cent. of the electorate. There is no Labour representation in Cambridgeshire. In Surrey, 148,620 people voted Liberal Democrat. That was 28.4 per cent. of the electorate. We have not one seat in Surrey. There are 11 Conservatives out of 11. That cannot be defended in any circumstances as a fair outcome.

Mr. Heald: Does the hon. Gentleman accept that the bias in the system is mostly accounted for by variations in size between constituencies throughout the United Kingdom? If we had an equal electoral quota that was properly implemented throughout the country so that constituencies were the same size, we would have a much more proportional system and one that did not have that bias within it?

Mr. Heath: That is arithmetical nonsense. The hon. Gentleman is saying that because the average Conservative electorate consists of 73,004, people his party is badly treated. My electorate consists of 77,000 people, and I do not feel badly treated. Making the highland seats any bigger would make them virtually the same size as a small country, and that is not a sensible form of representation.

Equalisation raises a number of issues, including the time at which we take the figures. I hesitate to mention another reason for the inequalities because I am worried about the consequences, but in the shire authorities we rely on the county boundaries to be coterminous with the sum total of the constituency. We have large constituencies in Somerset simply because in the present administrative county we do not yet merit the sixth constituency that we would otherwise deserve.

Mr. Liddell-Grainger *rose—*

Mr. Heath: I have tempted the hon. Member for Bridgwater (Mr. Liddell-Grainger) by mentioning Somerset, but he should bear it in mind that if he wishes to intervene he will take more time from colleagues.

Mr. Liddell-Grainger: The hon. Gentleman has made a valid point. As he knows, the boundary commission report has made it much more difficult in Somerset to secure that sixth seat. Does he agree that the position is iniquitous for Somerset and other counties and it is time that the boundary commission reformed itself?

Mr. Heath: There is an absurdly small variation to the boundary between the Somerset and Frome and Yeovil seats. It has not resulted in a change in the net population or, as far as I can see, its political propensity, so it is utterly pointless.

I appreciate the demands on our time, so I shall conclude by referring to the need for accountability. If we want people to be interested in elections they must believe that they are electing someone who will do a satisfactory job for them, and will have the opportunity to represent them properly and scrutinise the Government. The House is failing in that duty, and both it and the House of Lords need to be reformed. We must look at the two issues in the round, and get on with the reform programme. I welcome the review of electoral systems by the Department for Constitutional Affairs, although I have doubts and regrets about the Cabinet Sub-Committee and its chairman, as I fear that they may obstruct sensible arrangements. I look forward eagerly to the electoral administration Bill.

I do not support the Conservative motion, because of the rush of blood to the head that the hon. Member for North-East Hertfordshire experienced halfway through his speech, when he became peevish about proportional representation. I do not support the Government amendment, which is the most complacent amendment I have ever seen and appears to suggest that everything is rosy when clearly it is not. We shall take great pleasure in voting against both.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Several hon. Members *rose*—I remind all right hon. and hon. Members that Mr. Speaker has imposed an eight-minute limit on Back-Bench speeches.

5.58 pm

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): There is much that I would like to say, but time is limited for all of us, so I ask the House to forgive me if I pass over some matters.

In the debate on 22 June last year, I explained to the House how the postal vote system had been abused in Birmingham and turned into political currency. I do not wish to revisit the issue, not least because matters are sub judice, but I should like to highlight the action taken by the returning officer in Birmingham to try to prevent the situation from arising at the general election. The returning officer wrote to everyone who was on the postal vote list, which resulted in a great number of people being removed from it. Indeed, in one ward where there was controversy the number went down from 8,600 people to 3,000. Hon. Members will agree

that that is a huge drop. The returning officer worked with the West Midlands police to investigate all multiple applications, and the police visited houses where more than five people had applied for postal votes. Together with the work to encourage all political parties to sign up to a code of conduct, that ensured that the contests that took place in Birmingham during the general election were not subject to the problems that occurred in local elections.

There are three issues that I shall touch on briefly. First, how do we prevent the electoral process from being corrupted by fraudulent use of postal votes? I am not in favour of all-postal voting, particularly when that system is imposed on people against their will. I agree with the Opposition spokesperson who referred to the dangers of gimmicky e-voting. It is fraught with dangers and if it is brought in, it will cause even more problems than have occurred with postal voting. But there is no doubt that many people like the opportunity to vote by post, so we must devise a system that is as foolproof as possible.

To go on the electoral register, a person should have to sign. Whether they sign individually or sign a form that comes to the house, there must be a signature. If that person applies for a postal vote, the signature on the application must be checked against the signature provided to go on the register. As a final safeguard, when the person fills in the postal vote and sends it back with the declaration of secrecy, that signature must also be checked. Those are positive steps that can be taken and would make a real impact. I know that it would cost money and there would be arguments against such a system, but what is the price of democracy? I strongly urge my right hon. and learned Friend to consider that seriously as part of legislation.

Secondly, we should revisit the argument about obligatory voting. Some people call it compulsory voting, but it is not. It just obliges somebody as a citizen in a democratic society to go to a polling station or to get a postal vote. What they do with the ballot paper afterwards is entirely a matter for them. All right hon. and hon. Members will have gone through the salutary experience on election night of watching the disputed votes and seeing what some of our electors think of us. I have no problem with that. People are exercising their democratic right. I would not object if there was a place on the ballot paper where a voter could write "None of the above" or write in the name of a candidate for whom they did want to vote.

We are allowing a cop-out from the democratic system. If we want higher turnout, we should move towards the Australian system of obligatory voting. It is far better than going in for various gimmicky ways of trying to increase the turnout which are fraught with dangers, as has been found with postal votes.

The final point concerns a problem that occurs in an area such as mine, which I hope my right hon. and learned Friend will take on board in legislation. What happens on election day in a constituency such as mine is not how elections used to be fought. Traditionally, at the polling station there would be a representative of each of the parties, the number taker, and there would be a great deal of conviviality and sharing of information.

That does not exist in areas such as mine. On election day groups of people congregate at the entrance to polling stations. They hand out leaflets and talk to people, particularly in areas where English is not the first language and where the number on the ballot paper is even more important than the name. They give out a great deal of misinformation. During the day the numbers at each polling station build up so that by early evening, as happened in my constituency at the recent election, there are 50 or 60 people at the gates.

The police are there and struggle to prevent violence breaking out. In the background there is the cacophony of cars parked outside the polling station with recorded messages from the candidates on a repetitive reel, so that goes on throughout the day. All the traditional conventions that most of us may remember, whereby a loudspeaker was not allowed anywhere near a polling station and there was no campaigning on polling day, have gone by the board. Somebody who wants to vote from the early evening onwards has to go through a cacophony of sound, intimidation, harassment and misinformation, and that is only to get into the polling station. It is no good turning round and saying, "Well, the police have powers to deal with that." As we have learned in the west midlands, the police do not have such powers. New legislation is needed to prevent campaigning within a certain area around a polling station, because the police do not have a hope at the moment. I have shared my views with hon. Members, but I am mindful of the fact that time is limited.

I welcome the Government's intention to introduce legislation. I also welcome the fact that both the Minister of State and the Under-Secretary have fought many elections and are therefore experienced. I am sure that their boss in the Department also has long experience of fighting elections, and I hope that they share their experiences with him in drawing up the legislation.

I urge Ministers to take on board my remarks this evening, which are a genuine attempt to address the issues. When I referred to what happens on polling day, my hon. Friend the Member for Birmingham, Hall Green (Steve McCabe) and others nodded vigorously, and if the issue is not addressed, the situation will get worse.

6.6 pm

Peter Bottomley (Worthing, West) (Con): Although I have probably experienced more elections than most hon. Members, my experience is not as extensive as that of the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff).

The Electoral Commission should fund closed circuit television supervision of what goes on outside polling stations, which would allow the police and others to take action after an election, because the certainty of action will stop people from engaging in an activity that is undesirable and should be unlawful. Voting without intimidation matters in a family, outside a polling station and inside a polling station.

In approximately 1997, I first raised the question of allowing outside observers into polling stations. If I go as an observer to El Salvador, South Africa or anywhere

[Peter Bottomley]

else, I expect to go into a polling station. I expect authorised observers following our elections to be able to do the same thing here, and I hope that there will not be another national election in which that cannot happen.

The Electoral Commission should be given funds to allow it, rather than local authorities, to provide money to electoral returning officers. I have not seen complaints from electoral returning officers about the allocation of funds within local authorities, but that temptation should be avoided.

I demand that the Government make sure that every service voter is registered by the time of the next national election, which is a point that applies to both local and general elections. It is scandalous that the Government made changes that made it less likely that service voters would be on the electoral register, and all their words before the last election were inadequate. We should not spend too long going over the past, but Ministers—not only Defence Ministers, but Ministers with responsibility for electoral registration and, preferably, the Prime Minister, too—must make sure that a service voter's ability to vote is maintained by their service unit and the Government.

A similar point applies to overseas voters in general. When I visited Mallorca, I met potential voters, and the British Government expend very little effort on people who are eligible to vote from overseas countries. The high commission or embassy website might refer to registration, but nothing is released in the British community stating, "This is the easy way to register to vote—and you should do so." I want to see all-party work on that point, and perhaps the opportunity to send out members on balanced delegations should be extended to the Inter-Parliamentary Union and the Commonwealth Parliamentary Association to try to encourage that process. If people like such trips, why not take them for a good cause that helps democracy?

If we were to introduce voting at 16, one advantage would be that people could automatically move from the child benefit register to the voting register. As a growing number of families receive child benefit until children are 18, the transfer should become automatic. The measure should not entail a breach of data confidentiality, so let us take that simple, practical step.

Let us try to ensure that we get the co-operation of mobile phone services, because most people coming up to the age of 18 and eligible to be registered to vote should be able to send a public service message to do so, if that is allowed by this House, as that goes beyond ordinary data protection issues. A whole series of those simple things could happen, in addition of course to the council tax payer being automatically expected to be on the electoral register.

I turn to individual registration, which was one of the issues discussed by the Electoral Commission and by the Select Committee on Constitutional Affairs combined with the Select Committee on the Office of the Deputy Prime Minister just before the election. Although there are arguments for individual registration, they are not so overwhelming that an electoral register should require an individual signature. Students in halls of residence would not register in great numbers if that were the requirement. It is preferable that one person in a household should be able to nominate people on the register. Perhaps then, if the electoral registration system requires something to go out to individual potentially registered voters, they can sign up for a postal vote or any other method of voting, and that can be checked. The initial movement towards the register should come from the householder or pseudo-householder, whether they be the warden of a students' hall of residence, a landlord, the manager of a residential home for the elderly, or someone like me with a household that is occasionally full of children eligible to vote.

A whole series of other issues matter, but given that attendance has been quite good and that colleagues on both sides of the House still want to speak, all I want to say is: "Don't let this discussion be totally distorted by arguments for proportional representation, because that has been shown to be a last-past-the-post system on too many occasions." If we want to start talking about electoral systems, let us have a proper debate on getting rid of the worst scandal in our system at the moment—the closed list system for the European Parliament elections. If the electorate cannot pick out someone they particularly want and get them elected or pick out someone they particularly do not want and get them disappointed, we shall have a system that is not democracy.

6.12 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I apologise for having a slight sore throat, which means that I might not be quite as voluble as normal; some Members may of course welcome that.

I welcome the all-postal voting pilots but, having had the chance to learn from them, we should not pursue all-postal voting in future. I say that for two reasons: first, they deny the individual the choice of whether they vote by post or go to the polling station, and secondly, we should develop, as the Electoral Commission wants to, one standard method for all elections so that voters may be certain whether they will be voting by post or at the polling station, or a mixture of the two, which is the option that I favour. Voters should be able to decide whether they want to vote by post or at the polling station and tick a box on the electoral registration form—it should be as simple as that. Some authorities are already taking that route.

Generally speaking, our electoral system is secure. There have been one or two high-profile cases, mostly involving postal votes—not all-postal votes, but postal votes per se. Those have been much highlighted in the press and are to be deplored. However, the Electoral Commission and the Select Committee on the Office of the Deputy Prime Minister undertook investigations and proposed several serious, important and welcome suggestions as to how we can make the system even safer, including the introduction of new offences surrounding postal votes.

The real problem with the current system is the appallingly low level of voter registration—that is the challenge that we have on our hands. By and large, it is not evenly spread across the country. In areas where people are socially and economically excluded, those people are becoming politically excluded as well. That should be a serious worry for us.

The annexe to the report produced by the Select Committees on Constitutional Affairs and on the Office of the Deputy Prime Minister contains an interview that I did with the electoral registration officer in Sheffield. It was interesting to learn that the initial canvass of voter registration in the city produced a 90 per cent. return of electoral registration forms in the leafy suburbs of Hallam. In the poorer parts of the inner city in Sheffield, Central, it was just over 50 per cent. That is telling.

Different electoral registration officers conduct different practices. For example, some electoral registration officers will remove a household from the register if a form is not returned for two consecutive years, whereas others will leave it on. Some will leave the household on if they can find other evidence, such as council tax registration, which shows that people still live in the property. Different systems operate. Whatever system we adopt nationally, electoral registration officers locally must follow a clear code of practice, meaning that the same system and rules operate throughout the country.

I recognise and accept that we must move towards individual registration, with a signature. That is sensible from a security point of view. However, we have to learn from what happened in Northern Ireland, where the number of people who registered fell dramatically. People may claim that that was because some people were doubly registered, but the fall went on after the first year. It continued after the so-called clean-up of the register. There is a genuine problem of not registering, and if we do nothing but introduce individual registration, it will get worse. That will apply especially to groups who are socially and economically excluded. The registration officer in Sheffield said to me, "If you're going to change the system, change it fundamentally. Don't try to build bits on to the existing system, which clearly doesn't work properly."

Some members of the Select Committee went to Australia. We appeared in one or two national newspapers for our pains and learned some interesting things about the system there. First, we were asked what we did. When we said that we began by writing to every household every year, we received blank looks and were asked, "What? Why do you write every year to households that haven't changed? The same people live in a house for 15, 20 or 25 years—nothing changes—but you write them? If they don't write back, you write to them again, and if they don't reply for two years running, you take them off the list? Is that a way of trying to encourage people to register? Are you putting your resources into the right activities? You do that for four months of the year and nothing for the other eight? What is the point?"

The Australian system is simple. There is a register, which remains in place unless people change. There are various ways of notifying changes of address or age or deaths. Of course people can write with the information, but there is also a requirement on the Post Office, the utilities, the driving licence people and local authorities to provide information. Schools and colleges get paid a bonus for giving information. Such information can also be gleaned from the register of births and deaths. That enables the registration officers and the relevant authorities to concentrate on the changes, follow them up and ensure that the information is accurate and goes on the register.

There is therefore no annual audit or review in Australia, although the possibility of conducting a review every three years was considered. We could conduct a three-yearly audit on a rolling basis here, so that electoral registration officers were not obliged to put all their resources into a four-month period every year. It could be spread out over a longer time to verify the accuracy of the register but concentrate on instances where change had occurred.

Several hon. Members *rose—*

Mr. Betts: I will not take interventions because other hon. Members want to speak.

Eventually, this country will have the most comprehensive database of individuals and where they live, drawn up for the national identity card scheme. Why do not we have a direct read-across? If people want a secure, comprehensive system with integrity, there we have it. We would save resources at local authority level. There would be no need for all the canvassing, verification and checking that currently occurs. Local authorities could pay the national register for the information. That would contribute towards the cost of the register. It would save central Government and local authorities money and be a comprehensive system with integrity and security. We should consider it seriously. It would be a dramatic step forward, which will give us a register that is 99 per cent. accurate. If that is what everyone wants as a basis for our electoral system, the Government should consider it seriously.

6.19 pm

Mr. Eric Pickles (Brentwood and Ongar) (Con): It is a great pleasure to follow the hon. Member for Sheffield, Attercliffe (Mr. Betts). I commiserate with him on the state of his voice and hope that he finds a lozenge soon. I agree about the importance of the electoral registration system being open and welcoming. It also needs to be transparent and, above all, to inspire confidence.

Much to my surprise, it is nearly 40 years since I joined a political party. I recall that, in the late 1960s, no one really questioned the honesty of the British electoral system. It was taken for granted that it was run correctly, but that is no longer the case. People doubt the integrity of the ballot box. This was my fourth general election in Brentwood and Ongar—this seems to be confession time, with me telling the House how many times I have fought an election—and I think that I also fought four elections as a district councillor. This is the first time I can remember people coming up to me to express their worries about the safety of their postal vote because of what had appeared in the newspapers.

The expression of such worries was not confined to those in political parties. The electoral registration officer for Brentwood borough council, Mr. Jim Stevens—a man of considerable experience in the conduct of elections, both in this country and overseas—reported to me an unprecedented number of telephone calls from people seeking reassurance that their postal vote would be safe. Even in a quiet place such as Brentwood, we have one election fraud case pending.

[Mr. Eric Pickles]

In my old area of Bradford, the returning officer, Mr. Philip Robinson, has called for

"urgent reviews of electoral registration and postal voting on demand . . . in advance of the next elections in 2006."

I have known Philip for the best part of 25 years, and I worked closely with him for 12. He is not a man who moves with the whim of fashion. He is not an excitable man; he is a dedicated, loyal public servant who would not have called for such reviews had he not been shocked enough to feel that some probity should be brought back into the electoral system. Probity is important. Of course, there will be unscrupulous people who try to cut corners, but we must build into the system a degree of probity. It is with some regret that I say that the Government have, unintentionally, built probity out of the system, rather than building it in.

The Minister of State does us a great courtesy by remaining in the Chamber for the whole of our debate. She asked for suggestions on how to improve the situation, and I shall give her three. I could give more, but because of the time limit I shall let these three speak for all of them.

The document issued by the Department for Constitutional Affairs suggests allowing people to register to vote after an election has been called, up to 11 days before the poll. Under the current law, there is a five-day period of objection. That would mean that there would be just six days before the election to check people entering the register at that point. The chances of fraud or multi-registration would be much greater. If the present March deadline allows vote factories to operate, how much greater would that problem be with an 11-day deadline? Such a deadline would provide little or no chance to check that the voter had been removed from their previous address, and in most cases, such voters would have the opportunity to vote in another electoral district.

It has also been proposed to replace the serial numbers on ballot papers with barcodes. That might sound sensible because it would increase transparency, but it is probably the best example of the Government's determination to increase postal voting at the expense of the polling station and ignores the reality on the ground. The Government's argument that the measure would increase safety and improve anonymity is wrong-headed, because, at present, only a court can open ballot papers and check them against the numbers provided. The use of numbers is of immense importance because they can be used by the polling clerk and the returning officer to reconcile information, first to ensure that the right number of ballot papers have been issued in the right order and, secondly, to ensure that the same number of ballot papers that leave a polling station arrive at the other end. If barcodes replaced the numbering system, we would not know whether any ballot papers had gone missing on the route between polling station and counting station. Something that would be handy for the purposes of postal votes would undermine the whole process of voting in person.

The hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) made a point about signatures. The document suggests that people should be able to apply for postal votes at the same time as applying for registration. Many authorities have invested in software that identifies signatures. If a person makes both applications at the same time, it will be impossible to check for fraud. That is wholly wrong. I agree with him that signatures should be integral: when people go into the polling station, they should sign the register.

I think that it would be possible to introduce several reforms to encourage turnout without compromising the integrity of the ballot paper. The Government suggest that applications for postal votes should be made 11 days before the polling date rather than six, which would allow for fraud checks to be made. The drawback is that many people would not be able to vote, and many would object at the polling station. If a proxy vote could be issued six days, or three days, in advance—that, after all, relies on the issuing of a single paper—the Government's sensible suggestion might be workable, and people would still be able to vote.

Those who want to increase voter participation and want more people to go to the polling station should think about the powers of local government. If all decisions are made in a remote regional assembly, people will not see the point of going out to vote. If power is given to local authorities, people will vote.

6.27 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): This has turned out to be a thoughtful debate, but unfortunately the motion does not seem to be as thoughtful as the speeches made by Members in all parts of the House. It appears to concentrate on just one aspect of what I consider to be the triple responsibility that we all have for the legitimacy of our system. Our three responsibilities are to ensure that the franchise is accessible and that people have access to it, to ensure that people can use the franchise and vote, and to ensure that when people have voted they believe they have voted fairly, safely and securely and that the result is therefore legitimate. Those three legs supporting the system's legitimacy are integral to its operation. If we pull them apart or concentrate on just one, the system itself will not have the integrity that we would wish it to have.

Our electoral process has always been open to determined fraud and abuse. As the hon. Member for Somerton and Frome (Mr. Heath) observed, it is miraculous that, over the years, it has not been systematically abused as it might have been through personation, false registration, ballot purchase and so forth. It is certainly true that the system can be attacked. It is also true that it is failing almost completely in some parts of the country. I refer to the first leg of the system's legitimacy—the question of who registers to vote.

My hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) mentioned the difficulty of registering, or regaining registration, in different parts of Sheffield. The figures show startling differences in different seats. They range from registration levels of under 70 per cent. of the census figure in some parts of the country to 105 per cent. of the census figure in other parts. It will not be difficult for hon. Members to guess which parts of the country represent which end of the scale. In inner-city areas, in large conurbations and, interestingly, in seaside

towns, registration is very bad. Conversely, in some rural and semi-rural areas, particularly in parts of my county of Hampshire, not only is registration up with the census but it continues to build on the census—every person who could conceivably be registered every year in terms of the census extrapolation becomes registered.

If we extrapolated that and compared the population of constituencies with the size of the population on the register, we would find that the constituencies were rather similar in size, but that our system is gradually distorting through boundary revisions to build under-registration into our system. That does not seem to represent well the leg of legitimacy that I emphasised earlier.

The decline in trust in our society may have begun to lead, as the hon. Member for Brentwood and Ongar (Mr. Pickles) mentioned, to the questioning veracity in the electoral system. We always have accepted essentially that people are who they say they are when they register, that they are who they say they are when they go to vote and that they put in the ballot box the ballot that they have been given by the returning officer between the table and the box in which the ballot is placed.

There have at all stages been electoral petitions and various actions to challenge each of those processes. There have not been fundamental changes in the way in which we have conducted those various processes, even though those challenges have been made, there have been election petitions and the charges have been upheld on occasion.

It is interesting that every change in how our electoral system works has been accompanied by substantial charges that the change was essentially fraudulent, that everything would go to pot and that it would not work. When the Ballot Act 1872 came in, there were widespread charges concerning the so-called Tasmanian dodge. People said that there would be electoral officers standing outside the polling booth giving the first voter a blank piece of paper, that they would go in, put the blank piece of paper in, take the vote out, take the money for the vote, give it to a second person who was corrupted and that would continue during the day. No evidence was ever found that the Tasmanian dodge ever happened but the system of watermarking perforation on ballot papers was introduced as a result of fears of the Tasmanian dodge.

Notwithstanding the seriousness of the cases that have come to light about elements of fraud with the ballot system and postal ballot system, the postal ballot is important in terms of how people vote as their lives change and in increasing participation in elections, one of the legs of legitimacy that I mentioned. The idea that a system, if organised well, can be completely secure is something that perhaps we will come to see as similar to the Tasmanian dodge.

It is essential that we ensure that we have integrity in our electoral system, and I commend the Green Paper for discussion. I hope that it will come substantially into legislation to ensure that that integrity is enhanced, but we have to be clear in our minds that, if we tilt in one direction so much in making sure that there are no possible ways in which fraud could ever conceivably enter into our electoral system, we will do so at the expense of most people's access to the ballot in the first place. That will be the end of legitimacy in a different direction.

The Conservative candidate in Southampton was seen giving money to electors both in the city centre and later on at a public meeting on the edge of the city. Obviously, that was deplorable but fortunately the electors of Southampton have not let the results of the 1895 election in Southampton, which resulted in the arrest of the Conservative candidate and his disbarment on the election petition, undermine the integrity of the system. We should be vigilant against fraud in the electoral system, but we must also ensure that that system is open and democratic and capable of being exercised by those who vote in Britain.

6.34 pm

Dr. Julian Lewis (New Forest, East) (Con): Because we have so little time left, I propose, if asked to do so, to give way to one intervention from each of the remaining two speakers; otherwise, I fear that they might not get in.

I want briefly to deal with four issues: proportional representation; turnout; the experience of the trade unions; and, in a rather more whimsical vein, the Labour party. PR is commonly regarded as an abbreviation for "proportional representation", but I have always believed that it stands for something else: "permanent rule"—by the Liberal Democrats. The Liberal Democrats constantly say that there is massive under-representation in seats when one compares seats won with votes cast. But what really matters to a Government in an election—be it a Government in Wales, in Scotland or in the United Kingdom—is not how many seats a particular party gets, but whether that party gets into government.

Under PR, the party that comes third—or fourth, as the Liberal Democrats have on more than one occasion in Scotland and in Wales, let alone in the United Kingdom—holds the balance of power. So on the basis of the smallest share of the vote, it gets into government and, indeed, chooses which of the other two parties will form that Government. That is a much greater distortion of the election result than the artificial exaggeration of seats. Power in this House, for example, is not in proportion to the number of seats held by each party. That power goes to the party that has the overall majority, and it makes very little difference whether that majority is 50 or 150.

Turnout is constantly regarded as the paradigm of whether a new system is working. It is a misleading paradigm.

Adam Afriyie (Windsor) (Con): It strikes me that one of the most significant developments in British democracy was the secret ballot, which was introduced in 1872. In the light of the various points that have been made, does my hon. Friend agree that the continuing use of the ballot box—in which people can physically cast their vote securely, free from coercion, intimidation and observation—is important?

Dr. Lewis: It is important, and I am glad that my hon. Friend made that point which has not been mentioned today, but which was referred to before the general

[Dr. Lewis]

election, when these issues were being discussed. It is understandable that we have postal ballots for people who might not be able to get to the ballot box. We take the risk that their privacy—their right to vote in a polling booth in secret—might be affected. However, we should remember that when people vote in private at a polling station, they may well vote differently from how they would vote at home, where they might come under pressure. People have often said to me on the doorstep, "I will vote for you but my other half won't." How often will that be allowed to happen when people have to vote at home?

John Hemming: Oddly enough, I had intended to raise the issue of the secret ballot myself. I represent a local government ward as well as a parliamentary constituency, and in that capacity I share part of the Birmingham, Sparkbrook and Small Heath constituency. It is true that there is substantial intimidation in the streets from time to time. The Labour party leaflet on getting out the postal vote describes everybody's house as a polling station. The big question is, where is the presiding officer?

Dr. Lewis: I pay tribute to the work that the old Liberal party and the current Liberal Democrats have done over many years on secure postal ballots and the avoidance of intimidation and fraud.

Some 20 years ago, I worked with a cross-party group of Social Democrats, Liberals, Conservatives and Labour peers to amend the Trade Union Act 1984 to make postal ballots compulsory for trade union elections. That worked because the papers being distributed were under the control and verification of the Electoral Reform Society. Postal ballots can be a blessing when they are properly controlled; they can be a curse when, as in the electrical trade union scandals of the early 1960s, they are not properly controlled.

My final, more whimsical, remarks relate to the Labour party. The Labour candidate who stood against me in the general election turned out, after the event, to be a senior figure in an organisation called tacticalvoter.net. He sabotaged his own campaign—he did not even issue an electoral address—in his attempt to help the Liberals beat me. It appeared later that the reason why he, rather than a local candidate wanting to fight a straightforward campaign for Labour, was nominated was that Labour selects its candidates partly by postal balloting. He went round many people in the local Labour party and got their postal votes. Did he tell them that he was going to sabotage his own campaign? I doubt it. If the Minister is to clean up postal voting for the country, she should think about cleaning up postal balloting in the Labour party.

6.40 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): We have had a short, but important, debate this afternoon. If the public has no confidence in the electoral system, that system will be called into question and it will ultimately become nothing more than a banana republic. That is exactly the description given to our democratic system by the judge in the recent electoral fraud case in Birmingham.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): Will the hon. Gentleman give way?

Mr. Djanogly: I am afraid time does not allow it.

As my hon. Friend the Member for Worthing, West (Peter Bottomley) pointed out in a thoughtful speech, even banana republics allow outside observers. The integrity of our electoral system is not just in question, but in danger.

We have heard various examples this afternoon of the malaise that has hit our electoral system. We have heard about fraud, poor registration procedures, administrative incompetence, wildly unequal constituency sizes and over-representation in urban areas. Clearly, something must be done to remedy the situation. Indeed, the Electoral Commission has been warning since 2002 of the need for reform but the Government did not listen. If they had, we might have avoided some of the many instances of fraud that have happened across the country.

Mr. Simon *rose—*

Mr. Djanogly: In the infamous case of the Birmingham councillors in 2004, the judge accused the Government of being not only complacent, but "in denial".

There have nevertheless been some developments. The hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) mentioned the priority given to counter-fraud in Birmingham during the election, which is welcome. Other Members have spoken about other developments and the Minister noted that the Government have woken up to the reality and are proposing some long-overdue reforms to our system. She supported the proposals in the Government's policy paper of May 2005, most of which were recommended by the Electoral Commission and should have been implemented long ago. Today, however, the Minister spoke as if many of these were new issues in relation to which action suddenly needs to be taken. Although the Conservative Opposition welcome the proposals, we maintain that they are too little, too late. Even if the proposals go ahead—we hope they do—several deficiencies in the electoral system will remain.

Mr. Simon: Will the hon. Gentleman give way on that particular point?

Mr. Djanogly: I would like to focus on two key issues: postal voting and electoral quotas.

The number of reported instances of suspected fraud relating to postal votes is alarming. For example, following the recent general election, the police have reportedly investigated dozens of claims of vote tampering. That gives rise to the question of how much electoral fraud over postal votes has taken place without being reported. After hearing evidence of the councillors' fraud in Birmingham, the judge said:

"Short of writing 'Steal Me' on the envelopes, it is hard to see what more could be done to ensure their coming into the wrong hands".

Mr. Simon: Will the hon. Gentleman give way on that?

Mr. Djanogly: All right, I shall put the hon. Gentleman out of his misery.

Mr. Simon: Many thanks. Is it the position of the official Opposition that this country has seen widespread and serious electoral fraud in recent years? I am asking not what the judge thinks, not what the papers think, but what the Tories think.

Mr. Djanogly: We maintain that there has been widespread fraud and that it has to be dealt with.

Even where fraud did not occur, the all-postal pilots were a disaster. The Electoral Commission reported printing and production errors in the postal ballot packs, the late delivery of votes and the absence of any checks on the identity of voters. As postal voting—and, even more dangerously, e-voting—does not have the supervision of polling stations, we believe that safeguards are essential to ensure that personation does not occur and that the postal voting system recovers its integrity. The hon. Member for Sheffield, Attercliffe (Mr. Betts) made that point strongly.

Several hon. Members, of all parties, supported the introduction of individual registration to safeguard the secrecy and security of postal voting. The Electoral Commission has advocated that for several years. The demography of our society has changed radically. The family home is no longer the norm, and houses are often divided into flat shares or multiple occupancy residences.

Individual registration is now used in Northern Ireland to prevent a person from registering several times in one constituency—something that journalists have proved is all too easy to achieve in England. The Government have expressed concerns that the system may reduce participation, but is it really advantageous to have greater participation in a system littered with fraud? Can such an election truly be a fairer representation of the people?

My hon. Friend the Member for Blaby (Mr. Robathan) said that reduced participation could be explained by the fact that each voter could register only once, instead of making the multiple registrations that were prevalent in the past. My hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) expanded on that point by showing how other forms of fraud could emanate from that. My hon. Friends the Members for Monmouth (David T.C. Davies) and for Worthing, West showed that where the Government should be aiding registration—for example, in the armed services—they have so failed to do so.

Another innovation in Northern Ireland was the introduction of individual identifiers to guard against fraud. As we have heard, Northern Irish citizens must give their national insurance number and date of birth when they register to vote. That offers safeguards against illegitimate multiple registration by citizens, and improper registration by non-citizens.

Most critically for non-supervised postal votes, national insurance numbers must be submitted with the ballot papers to combat the fraud that is evidently rife. The Government, and the hon. Member for Birmingham, Sparkbrook and Small Heath, proposed that a person's signature and date of birth should be used as individual identifiers. However, we believe that that will not be sufficient to eradicate fraud, as dates of birth and signatures are widely available and easy to replicate. By contrast, national insurance numbers are not widely in circulation.

When secure, postal votes are clearly desirable to facilitate voting for the widest possible cross section of the community. Postal voting also ensures that people who live abroad or who are infirm, disabled or caught up in inflexible working schedules can vote. However, we strongly oppose all-postal voting. It is vital that British citizens should have a choice about the method of voting.

Mark Pritchard: Will my hon. Friend give way?

Mr. Djanogly: I am afraid that time does not allow me to.

My hon. Friend the Member for Ribble Valley (Mr. Evans) was right to say that postal voting is too remote and uncertain for a measurable proportion of our society. The Minister of State was vague on that point. She said that she would review postal voting, but then went on to refuse to rule out the use of all-postal voting in the future. As my hon. Friends the Members for Leominster (Bill Wiggin) and for Windsor (Adam Afriyie) noted, British citizens value their right to go to a polling station and vote in person.

Several hon. Members supported compulsory voting. I believe that that would increase turnout, but not necessarily the quality of the system. The hon. Member for Sheffield, Attercliffe had some useful ideas in respect of a rolling audit process.

The second crucial area in which reform is demanded is electoral quotas. Representation will be unequal unless each constituency is made up of a comparable number of citizens, and my hon. Friend the Member for Isle of Wight (Mr. Turner) showed clearly that Parliament would offer only a distorted reflection of society as a result. That was certainly the case with the recent general election.

Support was expressed—especially by our Liberal colleagues—for proportional representation to remedy the balance. The Conservative Opposition maintain that that is not the answer, and my hon. Friend the Member for New Forest, East (Dr. Lewis) made the reason for that very clear.

Turnout was abysmal in our first PR elections for the European Parliament. Many people deeply resented having to vote for a party list rather than for an individual who would be responsible and answerable to the people and not to his or her party machine.

The Minister of State questioned our commitment to the first-past-the-post system, but I can reaffirm that now. That system promotes accountability and provides for a stable and effective Government. What the Minister should be considering is the boundary commission review that proposes constituencies of fantastically different sizes, varying from just over 50,000 to 150,000 voters. That is unacceptable and allows excessive over-representation in urban areas.

Whether or not trimming down the number of MPs is achieved—something that the Conservative party believed should have happened for the last election—the

[Mr. Djanogly]

change that we want would represent the weight of votes cast, as expressed by the hon. Member for Somerton and Frome (Mr. Heath), thus ensuring that all British citizens are equally represented no matter where they live. The integrity of an electoral system is essential to the credibility of any democratic system. The British electoral system is now in danger of losing its credibility, and we need to appreciate that that would ultimately threaten the legitimacy of the actions and decisions made in the House. I urge hon. Members to support the motion.

6.50 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): I rise with some trepidation to speak in the debate, because I have not made a speech in the House for two years, unless hon. Members count saying, "I beg to move that this House do now adjourn" as amounting to a speech.

This has been a very interesting debate on a subject that is close to the hearts of all hon. Members. My right hon. and learned Friend expressed in her opening remarks a wish to use the expertise of all hon. Members to increase voter participation and engagement in the electoral process, and I want to echo that this evening. Clearly, there has been cross-party consensus on some of the fundamental issues. Few Members have argued against a system whereby it is easy and straightforward for people to register and vote or against one that is safe and secure.

I agree with the hon. Member for Somerton and Frome (Mr. Heath) that we need a robust system, and I hope that he would agree with us that part of the fundamental problem with bias is the under-representation in some areas of the country, and that we must work hard to ensure that the register is improved. That is the essence of our democratic society.

We have heard a number of useful contributions from hon. Members. My hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) made a number of important points and, indeed, has already responded to the consultation exercise. He made a particularly good point about the practical work that is already being undertaken in his constituency under the present system. That is something on which we want to build. He also made a powerful case about extending the rights of arrest outside polling stations, and I can assure him that we are genuinely consulting on that.

The hon. Member for Worthing, West (Peter Bottomley) made a very considered speech, with a number of positive points, and I want to tell him, too, that we are consulting on whether to allow observers into polling stations and that we completely take his point about service personnel. The idea that those people from our country who are doing the ultimate duty as citizens, as members of our forces, should in some way be denied the fundamental right of citizenship is not one that any hon. Member could support. We will consider very carefully building on the issues that we included in the Representation of the People Act 2000, to increase the opportunities for service personnel, and we will work with our colleagues in the Ministry of Defence on that issue.

Again, we agree very much with my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) in deploring the few cases of fraud. It is a pity that the Opposition Front-Bench spokesmen spent so much time on that issue, rather than on discussing under-representation and the lack of representation in some areas of the country.

Mr. Simon: My city of Birmingham has been repeatedly traduced by Opposition Members borrowing cheap soundbites from a headline-hungry judge—

Hon. Members: Withdraw!

Madam Deputy Speaker: Order. I remind the hon. Gentleman that temperance and moderation in parliamentary language are important.

Peter Bottomley: On a point of order, Madam Deputy Speaker. Is there any way in which the remarks of the hon. Member for Birmingham, Erdington (Mr. Simon) can be struck from the record? They are in themselves publicity seeking.

Madam Deputy Speaker: I remind the hon. Gentleman that all Members take responsibility for anything that they say in the House.

Mr. Heald: Further to that point of order, Madam Deputy Speaker. Is it not out of order to make an insulting remark about a judge?

Several hon. Members *rose*—

Madam Deputy Speaker: Order. I shall respond to the hon. Gentleman's point of order. Criticism of a judge during a debate is out of order; it would have to be done by means of a substantive motion.

Bridget Prentice: Thank you, Madam Deputy Speaker. I say to my hon. Friend the Member for Birmingham, Erdington (Mr. Simon) that much has been said about what happened in Birmingham and he is right to point out that those claims were exaggerated. We need to look at the facts.

I remind the House that the recent general election, like the last one, the one before that and many before that, was run successfully, safely and securely. That is a fact.

John Hemming *rose*—

Bridget Prentice: I am sorry, I do not have time to give way. I really must press on.

Of course, we need to boost public confidence in the system. Everyone in the House condemns any attempt to undermine it. In the House, there are people with experience of between 1,500 and 2,000 elections, whether local or general—who better equipped to comment on the electoral process?

The hon. Member for Huntingdon (Mr. Djanogly) seemed to be saying that the whole electoral system was riddled with fraud. Is he saying that that is happening everywhere in the country except Huntingdon? We should not exaggerate.

My hon. Friend the Member for Southampton, Test (Dr. Whitehead) made several useful points about making the franchise accessible, easy to use and secure. He outlined the disparities in registration and drew parallels with the census. He made an important point about the balance between security and accessibility and said that if we push the balance too far in one direction, we may undermine the system.

Points were made about postal voting, which has received cross-party support. Every party believes that the use of the postal vote is an improvement to the system. Indeed, the public like postal voting; it offers them a choice, and all the evidence shows that people who request a postal vote are more likely to exercise it. None of us could disagree with that.

As my right hon. and learned Friend said at the start of the debate, we had hoped to find cross-party consensus on many of the issues under discussion today. However, after listening to what both Opposition Front-Bench spokesmen said about proportional representation, I fear that we will find it difficult to bridge that particular gap.

We have responded to the Electoral Commission's reports by accepting many of its recommendations on improving access and participation. We have said that we will legislate when parliamentary time allows. That is why my right hon. and learned Friend has undertaken an important consultation to form part of our thinking before we bring a Bill before the House. She has already met many hon. Members, both old and new, from across the House and several have already commented on the policy paper.

The debate had all the promise of an opportunity for the people probably most expert in the conduct of elections to come together to discuss in a serious and considered manner how best to engage more people in the election process. It was an opportunity to have an informed discussion about how we engage citizens in our democracy. I was sorry that the Opposition Front Bench did not engage in that discussion—

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 175, Noes 361.

Division No. 18] **[6.59 pm**

AYES

Adam Afriyie
Mr. Peter Ainsworth
Mr. Ames
Mr. Ancram
Mr. Bacon
Tony Baldry
Mr. Baron
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Peter Bottomley
Mr. Brady
Mr. Brazier
James Brokenshire
Angela Browning
Mr. Burns
Mr. Burrowes
Alistair Burt
Mr. Cameron
Mr. Gregory Campbell
Mr. Carswell
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Kenneth Clarke
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
Mr. Curry
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Quentin Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Mr. Mark Field
Mr. Forth
Mr. Francois
Mr. Gale
Mr. Garnier
Mr. Gauke
Mr. Gibb
Mrs. Gillan
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Mr. Hayes
Mr. Heald
Mr. Heathcoat-Amory
Charles Hendry
Lady Hermon
Mr. Hoban
Mr. Hollobone
Mr. Holloway
Mr. Horam
Mr. Howard
Mr. Gerald Howarth
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Miss Kirkbride
Mr. Greg Knight
Mrs. Laing
Mr. Lansley
Mr. Leigh
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Anne Main
Mr. Malins
Mr. Mates
Mr. Maude
Mrs. May
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Moss
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. George Osborne
Richard Ottaway
Mr. Paice
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Mark Pritchard
Mr. Randall
Mr. Redwood
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Andrew Rosindell
Mr. Ruffley
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Keith Simpson
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Graham Stuart
Mr. Swayne
Mr. Swire
Mr. Syms
Mr. Ian Taylor
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Peter Viggers
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waterson
Angela Watkinson
Miss Widdecombe
Bill Wiggin
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Jeremy Wright
Mr. Yeo
Sir George Young

Tellers for the Ayes:
Mr. Peter Atkinson and Gregory Barker

NOES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Danny Alexander
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Norman Baker
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Miss Begg
Mr. Beith
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Mr. Bradshaw
Tom Brake
Mr. Breed
Kevin Brennan
Annette Brooke
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Mr. Jeremy Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Mr. Burstow
Lorely Burt
Ms Butler
Mr. Byers
Mr. Byrne
Dr. Cable
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Carmichael
Mr. Caton
Mr. Cawsey
Colin Challen
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Tom Clarke
Mr. Clegg
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Yvette Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Mrs. Curtis-Thomas
Mr. Darling
Mr. Davey
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Mark Durkan
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Tim Farron
Lynne Featherstone
Mr. Frank Field
Mark Fisher
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Don Foster
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Andrew George
Mr. Bruce George
Mr. Garrard
Sandra Gidley
Linda Gilroy
Mr. Godsiff
Paul Goggins
Julia Goldsworthy
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Hain
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Nick Harvey
Mr. Havard
John Healey
Mr. Heath
John Hemming
Mr. Henderson
Mr. Hendrick
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Mrs. Hodgson
Kate Hoey
Paul Holmes
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. Horwood
David Howarth
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Simon Hughes
Chris Huhne
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Glenda Jackson
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Mr. Keetch
Ruth Kelly
Mr. Charles Kennedy
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Susan Kramer
Dr. Kumar
Norman Lamb
Mr. Lammy
Mr. Laws
Mr. Laxton
Mark Lazarowicz
Mr. Leech
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Mr. Llwyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacNeil
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
John McDonnell
Mr. McFadden
Mr. McFall
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Andrew Miller
Mr. Austin Mitchell
Laura Moffatt
Chris Mole
Mrs. Moon
Mr. Moore
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Greg Mulholland
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Oiner
Lembit Öpik
Sandra Osborne
Albert Owen
Dr. Palmer
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Mr. Prescott
Adam Price
Dawn Primarolo
Gwyn Prosser
Dr. Pugh
Mr. Purchase
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
Mr. Alan Reid
John Reid
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mr. Rogerson
Mr. Rooney
Paul Rowen
Mr. Roy
Chris Ruane
Christine Russell
Joan Ryan
Martin Salter
Mr. Sanders
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Clare Short
Mr. Simon
Alan Simpson

Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
John Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Graham Stringer
Ms Gisela Stuart
Andrew Stunell
Mr. Sutcliffe
Jo Swinson
Mark Tami
Ms Dari Taylor
David Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
Mr. Thomas
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watts
Steve Webb
Mr. Weir
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Pete Wishart
Mike Wood
Mr. Woodward
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt
Richard Younger-Ross

Tellers for the Noes:
Mr. Tom Watson and
Tony Cunningham

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments)*:—

The House divided: Ayes 300, Noes 226.

Division No. 19] **[7.14 pm**

AYES

Ms Abbott
Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Mr. Bradshaw
Kevin Brennan
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Mr. Cawsey
Colin Challen
Mr. Chaytor
Mr. Clapham
Ms Katy Clark
Paul Clark
Mr. Tom Clarke
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Frank Cook
Mr. Robin Cook
Rosie Cooper
Yvette Cooper
Jeremy Corbyn
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
John Cummings
Mr. Jim Cunningham
Mrs. Curtis-Thomas
Mr. Darling
Mr. David
Mrs. Dean
Mr. Denham
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Mark Durkan
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Jeff Ennis
Paul Farrelly
Mr. Frank Field
Mark Fisher
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Mr. Bruce George
Mr. Gerrard
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Hain
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Mrs. Hodgson
Kate Hoey
Mr. Hood
Mr. Hoon
Phil Hope
Kelvin Hopkins
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Mrs. James
Mr. Jenkins
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Lynne Jones
Mr. Martyn Jones
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ruth Kelly
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Mr. Love
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall-Andrews
Mr. Martlew
Mr. McAvoy
Steve McCabe
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Dr. Alasdair McDonnell
John McDonnell
Mr. McFadden
Mr. McFall
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meacher
Gillian Merron
Alun Michael
Mr. Milburn
Andrew Miller
Mr. Austin Mitchell
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn

Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. Olner
Sandra Osborne
Albert Owen
Dr. Palmer
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
John Reid
Mrs. Riordan
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Clare Short
Mr. Simon
Alan Simpson
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Jacqui Smith
John Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Mr. Timms
Paddy Tipping
Mr. Touhig
Jon Trickett
Mr. Truswell
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Wareing
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mr. Wills
Mr. Winnick
Ms Rosie Winterton
Mike Wood
Mr. Woodward
Mr. Anthony Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Mr. Tom Watson and Tony Cunningham

NOES

Adam Afriyie
Mr. Peter Ainsworth
Mr. Amess
Mr. Ancram
Mr. Bacon
Norman Baker
Tony Baldry
Mr. Baron
Mr. Beith
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Peter Bottomley
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Mr. Kenneth Clarke
Mr. Clegg
Mr. Clifton-Brown
Derek Conway
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Quentin Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Mr. Francois
Mr. Gale
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Hague
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Nick Harvey
Mr. Hayes
Mr. Heald
Mr. Heath
Mr. Heathcoat-Amory
John Hemming
Charles Hendry
Lady Hermon
Mr. Hoban
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horwood
David Howarth
Mr. Gerald Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Mr. Charles Kennedy
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Norman Lamb
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Dr. Julian Lewis
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Peter Luff
Mr. Mackay
Mr. MacNeil
Anne Main
Mr. Malins
Mr. Mates
Mr. Maude
Mrs. May
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Moore
Mr. Moss
Greg Mulholland
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Lembit Öpik
Mr. George Osborne
Richard Ottaway
Mr. Paice
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mark Pritchard
Dr. Pugh
Mr. Randall
Mr. Redwood
Mr. Alan Reid
Sir Malcolm Rifkind
Mr. Robathan
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Paul Rowen
Mr. Ruffley
Mr. Salmond
Mr. Sanders
Andrew Selous
Grant Shapps
Mr. Shepherd
Mark Simmonds
David Simpson
Mr. Soames
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Mr. Ian Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Peter Viggers
Mrs. Villiers
Mr. Walker

Mr. Wallace
Mr. Waterson
Angela Watkinson
Steve Webb
Miss Widdecombe
Bill Wiggin
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Pete Wishart
Jeremy Wright
Sir George Young
Richard Younger-Ross

Tellers for the Noes:
Mr. Peter Atkinson and Gregory Barker

Question accordingly agreed to.

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House believes that the General and local elections were safe and secure, and produced results that were fair and accurate; recognises that public confidence in the electoral process is paramount; and believes that the Government's constitutional changes have strengthened democratic accountability, bringing our institutions closer to the people.

Nepal

Motion made, and Question proposed, That this House do now adjourn.—*[Gillian Merron.]*

7.27 pm

Sir John Stanley (Tonbridge and Malling) (Con): I do not have any interest to declare, but I should like to state that I am chairman of the all-party parliamentary group on Nepal.

I am very glad to have the opportunity to initiate this brief but necessary debate on Nepal. It is one of the extraordinary paradoxes of the world since 9/11 that while huge attention has justifiably been focused on the war against terrorism, first in Afghanistan, then in Iraq, and then in relation to al-Qaeda and al-Qaeda-type elements all round the world, precious little attention has been paid to the country that is most in the grip of terrorism of any country on this globe—the Kingdom of Nepal.

Nepal is a country that has suffered tragically and most severely in the past nine years since the Maoist terrorism began. Indeed, the contrast between the situation nine years ago and that of today is very striking.

Nine years ago, in 1996, I had the great honour of leading the last British Inter-Parliamentary Union outward delegation to Nepal. In 1996, one could travel anywhere at any time in Nepal. There was no Maoist terrorism, there was a free media and free political expression and an emerging but strong and genuine multi-party democracy, not least because of the far-sightedness of the late King Birendra in ending the Panchayat system in 1990. Prior to our visit, two general elections had been successfully held in Nepal, under universal suffrage and with international observer teams, including Members of the House of Commons, in place on both occasions.

The close relationship between our Parliament and the Parliament in Nepal was demonstrated symbolically and in reality when, in 1992, our Parliament gifted the Speakers' Chairs for the two Houses of Parliament in Nepal. We saw those Chairs, carved in magnificent British oak, in situ in the National Assembly and the House of Representatives.

Today, Nepal is racked with terrorism. It is stalked by brutality, fear, appalling human rights violations, committed by the Maoists and also by Government forces. There is no Parliament in operation or in prospect, at least for the next few years. In the past nine years, the country has sunk from what was, in 1996, a democratic triumph to effective parliamentary oblivion.

I want to raise seven issues with the Minister. First, I want to ask about the role of the British Government's special representative to Nepal. I welcomed the appointment of Sir Jeffrey James as the special representative. The parliamentary group had beneficial contact with him throughout the time that he held the post. The need for a special representative is even greater now than when Sir Jeffrey James was appointed, especially with the assumption of autocratic power by King Gyanendra. Yet Sir Jeffrey James has retired and not been replaced. I hope that the Minister can tell the House why a successor has not been appointed and who is taking on the responsibilities that were previously

[Sir John Stanley]

discharged by Sir Jeffrey James. I hope that the Minister can assure us that the fact that there has been no successor to Sir Jeffrey James in no way suggests a diminution in the priority that the British Government give Nepal.

Secondly, I want to ask about the British Government's policy on the provision of military equipment to Nepal. I acknowledge that the Government are in some difficulty. They obviously wish to make it clear to King Gyanendra that they, along with other Governments around the world, strongly disapprove of the King's assumption of autocratic powers. However, I am sure that the British Government are also conscious of the seriousness of Maoist terrorism and the need to try to support the royal Nepalese army with equipment that will save lives, not least those of innocent civilians.

It is evident that the Government's policy has performed something of a switchback. Initially, there was the ill-fated gift of two helicopters, which rapidly became grounded. That was followed by a further gift of short take-off and landing aircraft. Then, in January this year, the Government announced a package of what was described as "non-lethal military equipment". Within a matter of two or three weeks, however, that announcement had to be superseded when the King took power at the beginning of February and the Government announced that the package had had to be suspended.

Only recently have we seen the release of one element of that package: the bomb detection and disposal equipment. I believe that the Government made the right decision in that regard, because only one function can be performed by such equipment, and that is to save lives, which is obviously the key objective. Will the Minister clarify what is now the British Government's policy? Are they going to release more items from the package that was announced in January, and are they now following a policy of releasing at least some types of equipment to help to prevent the worst eventuality of all, a complete Maoist takeover of the remainder of the country?

Thirdly, I want to refer to the position of the Gurkha connection, which goes back some 200 years. It is a key feature of the relationship between Britain and Nepal and, as we all know, the Gurkha soldiers in the British Army have served this country in two world wars and many other conflicts, and they continue to do so today with the utmost distinction. I hope that the Minister will be able to assure us that political developments in Nepal, particularly the assumption of power by the King, will not in any way imperil the Gurkha connection or reduce its strength. That is a key assurance that I am seeking from the Minister.

Fourthly, I want to find out what role the British Government see themselves playing bilaterally with Nepal in the key objective of trying to restore parliamentary democracy in that country. Are they, through our embassy in Kathmandu, engaging in dialogue with the constitutional parliamentary parties right across the political spectrum in Nepal? Are they also seeking to establish any degree of communication, directly or indirectly, with the Maoists themselves? What policy are the Government following bilaterally? Is it simply a passive policy of noting what is going on, or are they trying to make a contribution to bringing about an effective constitutional parliamentary settlement in Nepal?

Fifthly, the European Union joined together and made a statement at the beginning of February, when it condemned the assumption of power by the King. It also made a strong statement on human rights and declared, as other countries and organisations round the world have done, that there should be a restoration of parliamentary democracy in Nepal. Does the Minister consider that that is the only role that the EU can play in this crisis? Perhaps it is; Nepal is far away, and many EU member states have very little involvement with it. Many, understandably, do not even have embassies in Kathmandu. Again, it would be helpful if the Minister could clarify the British Government's expectations of the EU in this regard.

Sixthly, I am disappointed at the degree of non-involvement by the United Nations in the critical situation in Nepal. There has been limited involvement through the UN Commission on Human Rights, but that is all. Nepal has not been referred to the Security Council and, perhaps even more surprisingly, no steps have been taken by the Secretary-General of the United Nations to establish a special representative in the country. Could the Minister tell me whether the British Government would welcome Nepal being taken to the Security Council, and whether they would welcome the UN Secretary-General having a special representative in Nepal? I would like to hear any comments that the Minister may wish to make about a future UN role in efforts to resolve the crisis in the country.

My seventh and last question relates to the position of Nepal's all-important southern neighbour, India, with its 1,000-mile-long boundary with Nepal open. Of all Nepal's neighbours, it is undoubtedly the country with the most to gain from a satisfactory settlement in Nepal. Equally, the country that will have most to lose if Nepal dissolves into complete Maoist control is India, because India has an incipient—indeed, I would say more than incipient—Maoist-type problem with the Naxalites in the country.

India is, of course, deeply suspicious of any form of external involvement in Nepal, being always influenced by its position on external involvement in Kashmir. Having said that, I would add that I have no doubt that India is in a position to influence events in Nepal like, perhaps, no other country. What are the British Government doing to try to maximise the Indian Government's contribution to achieving a settlement in Nepal?

When people in this country hear mention of Nepal they understandably think of the majestic Himalayas, but Nepal is very much more than its mountains. Nepal is a country with a long and independent history. It is a country with a depth and quality of culture that is truly remarkable. And it is a country whose people are characterised by their strength, their courage and their loyalty, along with a true gift of friendship. It is the people of Nepal—who face brutality on an appalling scale, who face living in a climate of fear, who face serious denials of their human rights—who need their human rights and freedoms to be restored. I ask, and urge, the British Government to do all in their power to that end.

7.43 pm

The Minister for the Middle East (Dr. Kim Howells): I congratulate the right hon. Member for Tonbridge and Malling (Sir John Stanley) on securing the debate, and on the structure and delivery of his speech. It was a privilege to hear it.

The United Kingdom Government are deeply concerned about the escalating conflict in Nepal. As the right hon. Gentleman made clear, they have been closely involved in efforts to restore peace and stability in the country for several years. The right hon. Gentleman was right to observe that there is a great deal more to Nepal than those beautiful mountains, although when I was a child in the 1950s Tensing and Hillary reaching the top of Everest inspired me to become a mountain climber, which I have been all my life. I have never climbed in Nepal, but now that I am the Minister responsible for the area perhaps I shall have a chance to visit it, and even to climb a small peak.

Our historic ties with Nepal, our continuing recruitment of Gurkhas, to which the right hon. Gentleman referred, and our large bilateral aid programme underline the importance of those efforts to restore peace and stability in the country, but I am afraid that there are no easy answers or quick fixes for the problems that Nepal faces.

I pay tribute, as the right hon. Gentleman did, to the work of Sir Jeffrey James, our special representative for Nepal. The right hon. Gentleman will not be very convinced by this answer, but the role of special representative for Nepal was never intended to be permanent. It was set up to deliver three objectives. The first was to draw together United Kingdom policy on Nepal and to provide a strong focal point for it. The second was to co-ordinate international efforts in support of the peace process and the third to provide advice in the event that negotiations got off the ground.

Sir Jeffrey's role was initially set to last one year. In the event, his position was extended for a further year and a quarter. Thanks to his efforts, Whitehall thinking is more joined up, and there is a greater shared international consensus on how to try to resolve the conflict. Regrettably, the prospect of negotiations remains a long way off. The role that he occupied will continue to be discharged through the close Whitehall network that he built up during his tenure and through the normal diplomatic channels, particularly our ambassador in Kathmandu.

I echo the right hon. Gentleman's tribute to the Gurkhas. They have been, as he pointed out, a great asset to this country for many years, in times of war and peace. I was privileged to see their work at first hand just two weeks ago in Mazar-e-Sharif in northern Afghanistan, where they are providing security for what is widely acknowledged to be the best provincial reconstruction team in Afghanistan. The evidence of their good work is everywhere to be seen in that area. We need to continue to recruit Gurkhas. It is interesting that, as the right hon. Gentleman will know, they often come from some of the poorest areas of Nepal. I can imagine that they sometimes are torn when they think about the politics of their country, but they are a wonderful asset to this country and we aim to continue with that relationship.

May I try to deal with the question that the right hon. Gentleman raised about the United Nations? The UN plays a significant role and has recently established a major human rights monitoring operation in Nepal, which was set up in part thanks to this country's efforts this year. Other UN agencies are also active under the United Nations Development Programme, including UNICEF and the Office for the Co-ordination of Humanitarian Affairs. There have been several high-level UN visits, including by the UN working group on enforced and involuntary disappearances, which visited in December 2004, the UN High Commissioner for Human Rights, Louise Arbour, who visited in January 2005, and a UN team including the UN Secretary-General's representative on internally displaced persons, Walter Kalin, who visited in April 2005. In a statement on 1 February, the Secretary-General registered his concern about the King's takeover of power.

We believe that, if a peace process is to be sustainable, the Nepalese themselves must take ownership of it. There may be a role for mediation at some stage but that would need to be supported from the outset by the key parties involved. Our judgment is that we see limited prospects that all the key international partners would sign up to a contact group. At this stage, we believe that our focus should be on encouraging a process of constructive negotiation towards a democratic settlement. Any peace process would need discreet ground clearing at first to establish those bottom lines, and I know that the right hon. Gentleman, who is very experienced in this area, knows what I mean by that. It is very difficult to build that up unless we have that basis. One option might be for an independent and neutral third party, such as an international non-governmental organisation with expertise in facilitating dialogue, to play a part. However, at the moment there appears to be little appetite for genuine dialogue on either side.

The right hon. Gentleman also asked about India's role. He rightly pointed out that India is Nepal's biggest trading partner, and that they have long shared a border. He also mentioned the difficulties that could arise if the conflict in Nepal spilled into India. There could be problems with the Naxalites, for example, and with many others. India has more influence over Nepal than does any other country, and an eventual settlement will need India's support if it is to succeed. We enjoy an increasingly close dialogue with our Indian partners on Nepal, and we are regularly in touch with our Indian counterparts, including at ministerial level. As a result, we have been able to share our analysis of the conflict and to offer suggestions on resolving it. We agree on the importance of restoring representative democracy.

I am glad that the right hon. Gentleman referred to the period when there was representative democracy. All too often, we seem to assume that it has never existed in such countries, but of course, it has. India also has the most to lose from a failure to resolve the conflict, as its spilling over into India would destabilise that country's own internal politics. We maintain that a one-party Maoist state in Nepal remains an unacceptable outcome. It can best be avoided by drawing the Maoists back into the democratic fold through a negotiated political settlement.

[Dr. Kim Howells]

I remind the House—the right hon. Gentleman will need no reminding—that there are a number of underlying causes of the conflict in Nepal, which is rooted in poverty, under-employment, discrimination, social exclusion and corruption. He was right to contrast it with the period when Nepal seemed to be making great progress. Our goal is to help Nepal emerge from the current conflict with a sustainable peace, based on the principles of civilian, accountable and democratic government.

We have consistently argued that the conflict in Nepal cannot be resolved militarily. Instead, we advocate a negotiated political settlement as the best way to resolve it. To that end, we have been pressing for the resumption of negotiations by encouraging the King and the political parties to form a united front as the basis for dialogue with the Maoists. At the same time, we have been operating a large bilateral aid programme, run by the Department for International Development. The right hon. Gentleman will have noticed that the Under-Secretary of State for International Development listened carefully to his speech. That programme is aimed at reducing poverty and at tackling social inequality and the other underlying causes of conflict. We have provided limited assistance to the security forces to help them carry out legitimate counter-insurgency operations with greater professionalism and regard for human rights. We have also funded civil society and human rights organisations.

As the right hon. Gentleman told the House, the King's actions on 1 February have hindered our efforts to promote peace in Nepal. We consistently advised that such a move would increase the risk of instability, undermine the institutions of democracy and ultimately put the monarchy at risk. We have criticised the King's takeover of power in direct representations to the King and in public, including through the European Union. The King has lifted the state of emergency imposed on 1 February, and most of the political party activists whom he detained under the emergency regulations have been released. However, several dozen remain in detention and others are being prevented from travelling freely. Furthermore, the Nepalese media are not able to report freely.

The right hon. Gentleman will recall, as I can recall, a vigorous free press in Nepal, which was one of the great strengths of the country for a good period. Especially outside Kathmandu, however, many human rights organisations have been intimidated into silence, which has not helped at all.

At the same time, the Maoists have shown little sign of willingness to negotiate. After the plenum meeting of August 2004, the Maoists decided to move forward to the "strategic offensive", as they call it. It is a phase of their military campaign—the third of the three stages of classic Maoist warfare. I have to say that it has more to do with rhetoric than with what I remember of classic Maoist warfare when I had to read that stuff as a student. In view of the revisionist histories of Mao that are emerging nowadays, I am not even sure that he knew what the three phases of military campaigns were.

Since 1 February, the Maoists have turned down the King's offer of negotiations and continued their economic, psychological and physical warfare, staging regular "bandhs" or strikes and blockades, which cut off food, medicine, fuel and other essential supplies to the civilian population. We are deeply concerned that human rights abuses continue unabated. The Maoists continue to use violence for political means, carrying out beatings and killings, extortion, forced displacement, mass abduction, forced military recruitment of child soldiers and attacks against political activists, human rights defenders and journalists.

The Nepalese security forces, too, are involved in grave violations. We have heard of summary killings, rape, enforced disappearance, arbitrary arrests and torture. That is happening in what was once, as the right hon. Gentleman described for us, a beautiful, productive and peaceful place where people wanted to live.

Upholding human rights remains a key element of the UK's efforts to resolve the conflict in Nepal, and we have regularly spoken out against abuses committed by the security forces and the Maoists. The UK has consistently funded human rights organisations, and we are now in the process of funding the new UN human rights monitoring operation, for which the UK successfully pressed at the recent UN Commission on Human Rights in Geneva.

Bearing all that firmly in mind, we also recognise the legitimate efforts of the Government of Nepal to protect their citizens from Maoist attacks. While the overwhelming majority of our bilateral assistance has been focused on poverty reduction, civil society and human rights, part of our assistance under the Global Conflict Prevention Pool, run jointly by Department for International Development, the Ministry of Defence and the Foreign and Commonwealth Office, has been set aside for security assistance. As part of our conflict prevention strategy since 2001, we have donated a package of non-lethal military assistance, which has included two transport helicopters—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned accordingly at two minutes to Eight o'clock.

House of Commons

Thursday 23 June 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

NEW WRIT

Ordered.

That Mr. Speaker do issue his Warrant for the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the Borough Constituency of Cheadle in the room of Patsy Calton, deceased.—*[Andrew Stunell.]*

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State was asked—

Nuclear Power

1. **Mr. Peter Atkinson** (Hexham) (Con): If he will make a statement on the future of nuclear power in the UK. [6515]

4. **Mr. Anthony Steen** (Totnes) (Con): If he will make a statement on the future of nuclear power in the UK. [6518]

The Secretary of State for Trade and Industry (Alan Johnson): The 2003 energy White Paper set out the Government's energy policy on all sources, which obviously includes nuclear energy as well as fossil fuels and renewables. The Department keeps progress against the White Paper goals under review, through, for example, the work of the Joint Energy Security of Supply Working Group and the publication of the second annual report on the White Paper.

Mr. Atkinson: The whole question of our energy future is still in the long grass, and it is folly for this country to rely for its future energy sources on importing increasing amounts of gas from regions of the world that are inherently unstable. President Bush has estimated that the United States would need 100 new nuclear power stations to maintain a 20 per cent. contribution to its energy supplies. How many new nuclear power stations would this country need to maintain a 20 per cent. contribution?

Alan Johnson: I understand the point made by the hon. Gentleman, who has long been a proponent of new-build nuclear energy. I come to this question with what could be called clean-slate technology, as I am neither pro nor anti-nuclear. I feel very strongly that the 2003 energy White Paper got it about right when it said that at some point in the future

"new . . . build might be necessary . . . to meet our carbon targets."

That is still the case. There are issues around cost and waste which, as the hon. Gentleman well knows, are difficult issues. The Prime Minister has said that we need to make a decision on new build in this Parliament. We intend to do so, but we intend to take a measured look at all the issues across the energy field and ensure that our decisions, if they involve nuclear new build, meet the obligations that we agreed in 2003 for further consultation and another White Paper.

Mr. Steen: In addition to nuclear power, the Government are committed to a 10 per cent. target on renewable energy. In view of the fact that Devon has more areas of outstanding natural beauty than any other part of the country and has great landscape value with two national parks, conservation areas and a heritage coastline, does he intend to cover the whole county with wind farms and ruin the landscape, or does he propose that it should go to—

Mr. Speaker: Order. The hon. Gentleman is out of order.

Mr. Steen: Why?

Mr. Speaker: He knows as well as I do that he is out of order.

Judy Mallaber (Amber Valley) (Lab): We must cut energy use substantially and increase renewable energy sources if we are to leave our options open on whether we need a new generation of nuclear power stations, but that will be difficult. Will my right hon. Friend discuss with his colleagues at the Department for Environment, Food and Rural Affairs the financial regime and incentives needed to encourage the use of biomass energy crops and microgenerators for local energy production?

Mr. Speaker: Order. We must keep the questions to the subject of nuclear power. I shall try again, and call the hon. Member for Chorley (Mr. Hoyle).

Mr. Lindsay Hoyle (Chorley) (Lab): If we recognise the need to ensure that the lights do not go out in this country, a debate on nuclear must take place earlier rather than later, but must we not ensure when we debate whether to build new nuclear power stations that we look at other technologies such as clean-coal technology?

Alan Johnson: Congratulations to my hon. Friend for asking a question that I can answer. I accept his point. A vast range of issues are involved, and unlike some Opposition Members, I think the energy White Paper set them out clearly. It set a time scale for us to consider them and to put the money into research and development of the kind of technologies that my hon. Friend mentions, which are in the very early stages, such as carbon capture and storage, on which my hon. Friend the Minister for Energy made a statement two weeks

ago. We are putting £40 million into carbon capture, fuel cells and hydrogen technologies, all of which need to be explored more fully before we make crucial decisions, which should be made sooner rather than later, on nuclear new build.

Mr. Michael Jack (Fylde) (Con): The Secretary of State may be aware that the majority of Britain's nuclear fuel is manufactured at present at British Nuclear Fuels' Springfield plant in my constituency. Does he agree that it is important to recognise the need to keep together the fuel manufacturing expertise that we have in the United Kingdom? I welcome his commitment to a measured further review, but may I press him to be more specific on the likely timetable of the Government's consideration of the matter if vital investment and personnel decisions by BNFL are to be made to maintain our ability to make nuclear fuel in the United Kingdom?

Alan Johnson: I accept the first point. We need to take a strategic view of the nuclear sector, not least to retain the skills that we have there, which is why Cogent, the sector skills organisation for nuclear, is examining those strategic points. On the time scale, the right hon. Gentleman may press me, but I will say nothing beyond what the Prime Minister said in the first week after the general election—that we must make the decision in this Parliament. As to exactly when that will be during this Parliament, we need to ensure that we consider all the issues raised by right hon. and hon. Members. We need to make the decision within this Parliament—not within six weeks of the general election.

Mr. David Chaytor (Bury, North) (Lab): Does my right hon. Friend accept that the future of nuclear cannot be decided without a reliable set of estimates for the cost of dealing with radioactive waste? Given that the committee on radioactive waste management is currently holding consultation on the issue, does my right hon. Friend believe that we will have reliable costings of the processing of our radioactive waste within this Parliament?

Alan Johnson: We will await the report of the committee on radioactive waste management, which is due next summer. I hope that its work will give us an estimate of all the issues involved in dealing with radioactive waste. That is a crucial issue, as is the cost of new build. The public cannot reasonably be expected to deal with these issues unless they have the answers to those questions. The issue must be tackled within this Parliament, and I hope the report next summer will take us much further forward on the cost of dealing with nuclear waste.

Norman Lamb (North Norfolk) (LD): May I raise the implications of the leak of some 83,000 litres of highly radioactive liquid at the Thorp reprocessing plant and the implications for the debate on nuclear power? What are the right hon. Gentleman's views on the case for not re-opening Thorp in the light of that incident and the findings of the investigation, which suggest a degree of incompetence? Does it not add further compelling evidence that the nuclear industry is simply uneconomic?

Alan Johnson: The hon. Gentleman needs to understand, first, that I will await the report on what happened at Thorp. Secondly, it is important to recognise that the leak was contained within a secondary confinement cell, which was specifically designed to contain any such leaks. In a sense, the contingency arrangements worked, but I agree that that is one of the factors that we need to consider in order to be confident when we make a final decision on nuclear new build. These issues are important to the public. I heard the hon. Member for Totnes (Mr. Steen) commenting just now. He did not get his question in earlier, so he said from a sedentary position, "What's that got to do with nuclear energy?" I think it is absolutely to do with nuclear energy. The issues around safety, waste and cost are central to a proper, considered decision on nuclear new build.

Anne Snelgrove (South Swindon) (Lab): Does my right hon. Friend agree that the nuclear option and timetable cannot be pursued unless a permanent intermediate-level waste store site has been found in this country? It is a pity that Opposition Members who are pursuing the nuclear option did not take the opportunity to sign off the papers for one before the 1997 general election.

Alan Johnson: My hon. Friend makes an important point. The work that is going on and the time scale within which it is due to be completed are good reasons why we should not rush a decision. I agree that we need to find the answer to the problem not just for this generation, but for future generations. We cannot make a positive, final decision until those problems have been resolved.

Mr. Speaker: I call Patrick Jenkin.

Mr. Bernard Jenkin (North Essex) (Con): I think you have got the man in the other place, Mr. Speaker.

The 1997 general election was eight years ago. There is a growing and pressing need for the Government to make decisions on how to replace declining nuclear capacity. On current projections the figures show that by 2020, even if the Government achieve their renewable targets, we shall be increasing our carbon-based electricity generation to 74 per cent. of total generation. If we are to have any prospect of achieving our Kyoto targets and the Government's own carbon targets, there clearly needs to be a decision to replace the declining nuclear capacity with new carbon-free capacity. How long can the Secretary of State continue to afford delaying on this when all informed scientific and engineering opinion says that decisions need to be made urgently and should have been made already? The question of nuclear waste has been resolved in other countries, and we should be able to resolve it here. I can assure him that we shall give him every assistance in resolving these questions as quickly as possible.

Alan Johnson: I am aware that the general election was in 1997, and I do not know why the hon. Gentleman raises it. I have not mentioned it, but I am aware that the Conservatives have lost two more elections since then.

The hon. Gentleman's point suggests that we should move on this point as quickly as within six weeks of the general election. I guess that he would be pleased if we had agreed with the pro-nuclear lobby, which has been pressing for nuclear new build for a long time. The energy White Paper left the door open for nuclear new build. Yes,

there are issues about pre-licensing and identifying sites. The time between the decision and new build would be about 10 years. Given that and the statistic that by 2020 there will be three nuclear power stations responsible for generating 7 per cent. of electricity, whereas now it is 12 nuclear stations generating 20 per cent., we need to make the decision within this Parliament—but not at the first Department of Trade and Industry questions, not five weeks after the general election and not on the basis of one side of the argument. There are two important sides to this argument, and many people, like me and, I hope, the hon. Gentleman and his colleagues, who are neither pro nor anti-nuclear, are in the middle looking for a decision. We are determined to ensure security of supply and that we meet our carbon emissions reduction of 60 per cent. by 2050 and all the other targets that we set out in the White Paper, including having every home properly heated and lighted. I see no reason whatsoever to move away from the timescale that we set out within that document.

Roadworks

2. **Tom Brake** (Carshalton and Wallington) (LD): What discussions he has had with utility companies about the impact of proposed permit schemes for roadworks on their businesses and customers. [6516]

The Parliamentary Under-Secretary of State for Trade and Industry (Barry Gardiner): Since the beginning of 2004, DTI officials have had at least 25 meetings with the utility companies and their representative organisations. These have discussed the impacts and benefits of the proposed permit schemes for street works and the way in which they will enable the local highway authority better to regulate disruptive activities on the highway. We have estimated that the cost of the permits will be more than counterbalanced by the savings from less congestion and improved transportation of goods and services.

Tom Brake: I thank the Minister for his response. As he has had so many meetings, he will be aware that the National Joint Utilities Group believes that about 2 million permits will have to be issued each year at a cost of about £350 million, plus £56 million to set up the IT systems needed to manage it. Those costs will of course be passed on to the customer. What cost-benefit analysis has been carried out into the scheme?

Barry Gardiner: The residents of Beddington lane in the hon. Gentleman's constituency may feel a mild sense of outrage at his remarks. Three years ago, he was in the Select Committee on Transport bemoaning the fact that

"the road was being dug up so frequently"

and pointing out that

"the utilities would appear never to have got together in the same room."

Now he is bemoaning the permit system, which will enable highways authorities to provide the co-ordination between utilities that he was demanding back then. The Liberal manifesto discusses

"Using economic instruments to benefit the environment",

and states that

"permits should be used more to encourage people to act in a more environmentally responsible way."

However, that was before the election, and this is now.

Mr. Henry Bellingham (North-West Norfolk) (Con): I welcome the Minister back to the mainland. If he carries on in the same vein as his reply to the Liberal spokesman, he will do very well in his new job. Is he aware that last summer King's Lynn in my constituency was basically gridlocked, with major roadworks on Gayton road, roadworks on Southgates roundabout and other roadworks? It seemed to me that the different authorities were not talking to each other and that there was a real problem about co-ordination. What does the Minister think we should do to solve those problems in future?

Barry Gardiner: I agree that clear co-ordination is needed, which the permit scheme is supposed to introduce. This is DTI questions, not Transport questions, but the costs of a permit scheme must be counterbalanced by the benefits that it will bring. The regulatory impact assessment calculates that the cost of congestion to industry and the public is in the region of £4.3 billion a year. Even if one uses the National Joint Utilities Group's assessment of the fraction of that cost that relates to digging up the road and disruption caused by utilities, a 1 per cent. reduction in disruption would still result in a huge saving.

Supermarkets

3. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): If he will make a statement on the operation of the supermarket code of practice. [6517]

The Minister for Industry and the Regions (Alun Michael): The prime responsibility for operating our competition regime rests with the independent competition authorities. In the specific case of supermarkets, the Office of Fair Trading is responsible for keeping under review the code of practice governing supermarkets' relations with their suppliers, and it is engaged in doing so.

Mr. Carmichael: The Minister will be aware of the recent OFT report on the operation of the code, which, even if it achieved nothing else, highlighted how many suppliers are afraid to complain about supermarkets' practices because they fear the consequences of doing so. Will he examine the proposals from the National Farmers Union of Scotland and others on the creation of an independent regulator to investigate complaints confidentially and anonymously and to protect complainants against reprisals from the supermarkets?

Alun Michael: That sounds a bureaucratic response. I am well aware of the OFT report, of which I have a copy in front of me. The audit of competition issues undertaken for the OFT does not show evidence of failure that would require intervention, but the period in which people commented on the report was extended to the end of May to allow suppliers to comment, and we await the result of that process with interest. Frankly, the supermarket code is effective only if suppliers use it, and the OFT can take action under the code only if there is firm evidence of problems. I have answered this question on a number of previous occasions and in a

number of different contexts, and the answer remains the same—it would be wrong to over-regulate without evidence of the need to do so.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend must understand that even the supermarkets see the code of practice as a bit of a joke, which is why they are happy to sign up to it. Is it not about time that we examined the true criterion, which is how many shops are being lost on the high street and the degree to which the supermarkets are swallowing them up? Is it not about time that the Government took real action on that issue?

Alun Michael: My hon. Friend needs to read the detail of the report that was prepared for the OFT; I do not know whether he has made any comments on that. The OFT is analysing the responses that it has received. I look forward to receiving that analysis, and then will be the time to discuss whether there is a need to do anything further. There are also proposals on the table from, among others, the National Farmers Union and the British Retail Consortium, and those also need to be considered by the supermarkets. Let us see where we get to through effective regulation rather than increasing bureaucracy.

Mr. Peter Robinson (Belfast, East) (DUP): Given the massive buying power of the supermarkets and the recognition that the code of practice is ineffective and meaningless, does the Minister accept that there is a need to have real teeth in regulatory methods? The Minister for Competitiveness, who was at the Northern Ireland Office in a previous life, will be able to tell him of one supermarket company that persuaded a major supplier to spend more than £10 million on upgrading its plant, only to take the business away from it several months later without giving it any opportunity to submit a meaningful tender.

Alun Michael: It would be wrong for us to have a dog and to bark ourselves. I know that hon. Members have strong views when they see a particular circumstance involving competition leading to the closure of a shop or shops. However, I suggest that the hon. Gentleman looks at the work that is being done by the OFT, as well as by the Department for Environment, Food and Rural Affairs in relation to the milk supply chain, and invite him to agree that we should have an evidence-based approach to any changes in regulation rather than one that is based on impressions.

Keith Vaz (Leicester, East) (Lab): To use the Minister's analogy, if he has a dog, it sometimes needs to be put on a lead. Companies such as Tesco are behaving like pit bull terriers. Tesco controls the market, has done huge damage to our high streets, and is forcing suppliers to reduce their margins. That costs jobs. I know that my right hon. Friend is an extremely decent and hard-working Minister, but he cannot just sit back and allow that kind of dominance to continue in a free market.

Alun Michael: I hear admiration among my colleagues for the way in which my hon. Friend is doggedly pursuing this issue.

We have a supermarket code that arose from the original Competition Commission report in 2000 and which deals with supermarkets that have more than 8 per cent. of the market. Those supermarkets would certainly not be enthusiastic about the idea of a further commission reference and investigation, and that will encourage them to sign up to the new arrangements. These matters are far better dealt with between supermarkets and their suppliers. The regulator considered all the evidence and then produced the report to which I referred. I invite my hon. Friend, and all hon. Members, to read the report, look at the evidence, and be prepared to take part in a good discussion about this when the responses that followed the extended period have been analysed and presented by the regulator.

UK Competitiveness

5. **Mr. Michael Fallon** (Sevenoaks) (Con): What recent assessment he has made of UK competitiveness. [6519]

The Secretary of State for Trade and Industry (Alan Johnson): The real measure of the competitiveness of an economy is how well it is performing. On that basis, the UK is doing extremely well. Gross domestic product has grown for 51 consecutive quarters, the longest sustained expansion on record; the UK's employment rate is highest among the G7 economies; and we are enjoying the longest period of sustained low inflation since the 1960s.

Mr. Fallon: Has the Secretary of State read the recent British Chambers of Commerce survey, which said that some 1,200 regulations introduced since 1997—70 per cent. of which are home-grown rather than inflicted on us from Europe—are costing British business £40 million? If he really wants to improve the competitiveness of British business, why does not he start at the top in his own Department, which cannot possibly need seven Ministers?

Alan Johnson: The vast array of talent that can be seen beside me is absolutely essential for the proper running of our economy and our country, and I refute any remarks to the contrary.

I did read the report that the hon. Gentleman mentions. I also read the report by the Organisation for Economic Co-operation and Development and saw the reports by KPMG and various other experts saying that we are one of the lowest regulated countries in Europe, if not the world.

I have also read an interesting quotation from the right hon. and learned Member for Rushcliffe (Mr. Clarke). He said:

"We kept trying, we never really succeeded."

I do not think that he was talking about his bid to lead the Conservative party. He was talking about deregulation.

The thrust of the hon. Gentleman's question related to this Government's approach to regulation. Regulation is an extremely serious issue, and making a Cabinet member—the Chancellor of the Duchy of Lancaster—absolutely and completely responsible for better regulation, building on the Hanson and Arculus

reports and turning the Better Regulation Task Force into a commission with permanent status, along with the rigid and strict rules set by the Prime Minister, will lead to a real step change.

The hon. Gentleman is probably right. Neither his party nor ours in government has ever successfully tackled a task that we all want to perform. Only completely unreconstructed philistines would suggest that there should be no regulation at all. One of those is probably bidding to become leader of the Conservative party, but it is certainly not the hon. Member for Havant (Mr. Willetts). Some businesses need to be regulated, but our task is to ensure that there are no regulatory burdens that we could remove, thus allowing our businesses to expand and compete more effectively.

Helen Goodman (Bishop Auckland) (Lab): Will my right hon. Friend join me in congratulating the people who work at the Electrolux factory in Spennymoor, where 600 jobs have been secured this week following a new investment by that large multinational? Does he agree that that is an indication of the competitiveness of the British economy, and that the involvement of the regional development agency made a significant contribution to that competitiveness?

Alan Johnson: I applaud my hon. Friend. I congratulate the company in her constituency, and I think that that is a sign of what is happening in the country. Investment is at a record level. We attract 60 per cent. of investment in the European Union. We have 2.2 million more jobs. Our economy and our companies are probably best placed to deal with the difficult economic times that the whole world is experiencing, and to tackle the threat of globalisation. I think that the example from my hon. Friend's constituency can be repeated in other constituencies, including those of Conservative Members.

Mr. David Willetts (Havant) (Con): I welcome the Secretary of State to his first Trade and Industry Question Time and congratulate him on the impact that he has already had. Since he took office, or at any rate since Labour came to office, we have lost 1 million manufacturing jobs, our main nuclear reprocessing plant has closed because of a safety scare, and we have seen a record number of bankruptcies. I do not hold the Secretary of State responsible for that—at least not yet—but may I ask him about competitiveness? Does he accept that Britain has fallen has fallen from fourth to 11th in the competitiveness league table? Why does he think that has happened?

Alan Johnson: I welcome the hon. Gentleman as well. He has followed me from the Department for Work and Pensions. I am tempted to burst into a chorus of "Me And My Shadow". He is a decent and effective politician, and it is a pleasure to be shadowed by him. Having said that, I should add that he is also wrong about almost everything, particularly this wonderful thing called the World Economic Forum's growth competitiveness index. I presume that that is what he was talking about. I do not have a great deal of faith in such artificial indexes, which are based on very volatile survey information. *[Interruption.]* Well, I like them when they are in our favour.

The hon. Gentleman said that we had fallen from fourth place to 11th. I remind him that in 1996 we were 15th, in 1995 we were 18th, and in 1993 we were 23rd. I think that, as judged by that index, our record is pretty good. Moreover, the KPMG survey said that the UK ranked first in competitiveness in Europe and third in the world. Labour Members welcome those statistics, and I think the British electorate judged us on them at the recent general election.

Mr. Willetts: Those figures show that we were going forward under the Conservatives and are going back under the present Government. It is as simple as that. If the Secretary of State does not like the competitiveness league table, may I try another measure of competitiveness on him, which I consider to be the most fundamental of the lot? What is the value of the output that we produce for every hour that we work? Does the Secretary of State accept that according to the latest OECD figures, Britain's output per hour worked is one of the worst among the major western economies? We are behind France, which the Prime Minister is lecturing at the moment; we are also behind America, Germany and the G8 average. We produce less per hour worked than most of our major competitors. Will the Secretary of State try to escape from his complacency and accept that that is a problem? Will he accept that productivity under this Government is simply not good enough? Does he also recognise that we are going to carry on performing this badly, because we are over-regulated and overtaxed, because we have excessive Government intervention, and because we do not have high enough skills in our economy?

Alan Johnson: No, I do not accept any of that. Yesterday, I read the article that the hon. Gentleman has written as part of his campaign. I understand that he has 20 names backing him to run for the leadership; indeed, one of them might be mine, because I am a great admirer of his. That has probably ruined his chances.

Conservative Members seem only just to have discovered the productivity gap. However, it was so wide when their party was in government that it is a wonder they did not fall into it. It did narrow, as we have seen happening in France, at a time of high unemployment. The gap narrows at such times because the people in work are desperate to keep their jobs, and because high unemployment is a driver of productivity. If that was the policy of the Conservative Government, it resulted in the two worst recessions in British history, and an unemployment level of 3 million being reached twice. That is not how we intend to deal with productivity.

We can consider productivity per worker or per hour. In 1997, the productivity gap with France in terms of productivity per worker was 20 per cent.; it is now 10 per cent. In terms of productivity per hour, the gap with France in 1997 was 33 per cent.; it is now 25 per cent. The productivity gap with Germany per worker in 1997 was 5 per cent., and it is now zero—we have closed that gap. In terms of productivity per hour, it was 22 per cent. in 1997; it is now 13 per cent. Trend productivity growth—which, as the hon. Gentleman well knows, is the important measure—is rising. Without the terrible waste of high unemployment, we have been able to close the productivity gap substantially. Yes, we have to do

more, because this is an issue for the British economy, but I think we are on the right road; we are certainly a million miles away from the regressive policies pursued by the previous, Conservative Government.

Richard Burden (Birmingham, Northfield) (Lab): Does my right hon. Friend agree that the manufacturing skills and tenacity of people in the west midlands have a great deal to offer in regard to future UK competitiveness, as he saw a couple of weeks ago at Rimstock plc in West Bromwich? That company is being assisted by the Rover taskforce to cope with the collapse of MG Rover, and is now winning new markets in different parts of the world. Many people in and around south-west Birmingham also have those skills and that tenacity.

Will my right hon. Friend and his colleagues look with favour at projects such as the proposal for a nanotechnology centre at the Longbridge site? Will he also work with his ministerial colleagues in other Departments to ensure that regeneration programmes are put in place to back up such projects and to provide real opportunities for local people?

Alan Johnson: I congratulate my hon. Friend on all the work that he has done around Longbridge in very difficult circumstances. He and I attended an extremely impressive presentation by the taskforce—one of whose members, incidentally, is the Conservative leader of Birmingham city council. The taskforce also comprises representatives of the regional development agencies, the learning and skills councils and Jobcentre Plus—all organisations that we have developed since 1997. The way they have dealt with the dreadful situation in which they found themselves has been a lesson to us all; they deserve our wholehearted congratulations.

With regard to the problems that the taskforce is still dealing with, and the nanotechnology centre at Longbridge that my hon. Friend mentioned, we need to work together with the taskforce to bring about that regeneration. I should just mention, however, that of the 500,000 job offers that came in to Jobcentre Plus in that area after the collapse of MG Rover, about 1,600 of the vacancies were in high-value manufacturing. I believe that the important skills of the people in the area will eventually be picked up, and that is a tribute to everyone involved in the taskforce.

Trade with China

6. **Tony Baldry** (Banbury) (Con): If he will make a statement on the UK balance of trade with China. [6520]

The Minister for Trade (Ian Pearson): According to the latest figures from the Office for National Statistics, in 2003, the UK's export of goods and services to China amounted to £2.7 billion; imports of goods and services amounted to £8.7 billion.

Tony Baldry: Given those figures, the Minister will doubtless agree with the Prime Minister's comments in his statement on Monday about the challenge to our competitiveness that China poses. Does he also agree that China presents us with a huge opportunity for trade and collaboration? What is the Government's strategy to ensure that, in the 21st century, China becomes one of our major trading partners and that we maximise the opportunities and minimise the threats?

Ian Pearson: I always agree with the statements that the Prime Minister makes.

I pay tribute to the hon. Gentleman's work as vice-chairman and that of my hon. Friend the Member for Wirral, South (Ben Chapman) as chairman of the all-party China group, which does important work.

We are actively encouraging UK businesses to export more to China. We have set a target of doubling exports by 2007 and quadrupling them by 2010. There will be more than 100 UK Trade and Industry-supported trade missions to China this year, and an active programme of awareness raising is taking place throughout the United Kingdom. There is also the UK China Task Force and I should like to acknowledge the valuable work of the China Britain Business Council. We shall publish a trade and investment strategy on China shortly. I agree with the hon. Gentleman that there are massive opportunities and that it is important to take advantage of them.

Mr. Kevan Jones (North Durham) (Lab): Is my hon. Friend aware that much of the new investment in mainland China is from companies based in Taiwan? What steps will he take to promote trade not only with Taiwanese companies that are based in mainland China but with those based in Taiwan?

Ian Pearson: My hon. Friend is right to point out that there is an active trade with Taiwan and Taiwanese companies in other countries. Many UK businesses also do business through Hong Kong, which is perceived as a safe starting point for entering the Chinese market. We want to up our game on export performance. Trade performance is important for the UK economy and, as Minister for Trade, I want to promote far greater trade with China, Hong Kong, Taiwan and south Asia, which is a huge growth market for the future.

Richard Ottaway (Croydon, South) (Con): Despite the opportunities that China presents, is the Minister aware of the problems that arise from bad debt for those who trade in China? The problem is such that old China hands say, "Don't invest more than you're prepared to lose." The Chinese judicial system makes recovery of bad debts a live issue. Will he undertake to engage in conversations with Chinese trade officials about how that can be tackled?

Ian Pearson: I am happy to engage with Chinese officials on that and a range of other issues on a regular basis. I shall meet the Chinese ambassador later today and I shall visit China at the beginning of next month. We need to explore a variety of issues with the Chinese Government on trade and other matters. I assure the House that the Government are actively focused on the potential for China, its future growth and how we can take advantage of it and work bilaterally.

Mr. Dennis Skinner (Bolsover) (Lab): Before we get carried away about what is happening in China, let us remember what happened a few weeks ago—I am referring to the Rover Group debacle. What happened?

Those idiots from Phoenix trotted across to China and said, "Here's the certificate, here's the technology. You can have it for little or nothing", and we finish up with all those workers being chucked on the dole. I would advise any Minister to be careful of the Chinese takeaway.

Ian Pearson: As ever, my hon. Friend makes his point in a very distinctive way. We need to recognise that the Chinese are very good at doing business and are very strong negotiators, but it is also right to point out that there is no such thing as a slow boat to China any more. China's economy is growing rapidly—it has grown by 9 per cent. a year for the past 10 years—and there are massive opportunities in that country. It is important for the UK's future prosperity that we do our utmost to ensure that we get a share of those new business opportunities.

Offshore Oil and Gas

7. **Miss Anne Begg** (Aberdeen, South) (Lab): What steps the Government are taking to encourage people to work in the offshore oil and gas sector. [6521]

The Minister for Energy (Malcolm Wicks): The Department of Trade and Industry works through an industry forum known as Pilot, which I chair, and with other organisations to increase the attractiveness of the oil and gas sector to all age groups. For example, a recent engineering event in Glasgow was aimed at schoolchildren. For the future, Pilot has undertaken a census, due to be completed by the end of the year, which will give a clearer understanding of the current capacity of the work force and will point to the need for specific intervention or appropriate collective action.

Miss Begg: I thank the Minister for that reply. It is very important that the perception that the North sea oil and gas sector is a sunset industry be laid to rest. There is at least 30—perhaps 50—years' work still left in the North sea, but what could turn the industry into a sunset industry is our failing to get fresh blood into it, both offshore and onshore. While Cogent—the sector skills council—and the companies themselves clearly have some responsibility in this regard, they are looking to the Government for a steer. What might that steer be?

Malcolm Wicks: On visiting an oil rig for the first time—the North sea's Elgin-Franklin oilfield—I was impressed, as many before me have been, by the work being undertaken and by the skills of the work force. As my hon. Friend says, there are oil and gas reserves in the North sea for several decades to come, so in that sense this very important industry is not in decline. It has massive opportunities, and given that so many of its work force are over the age of 50, we need to address the skills issues and, indeed, the communication issues. On visiting Aberdeen, I was impressed by that city's status as an international centre of excellence in the oil and gas industry, and in the wider energy industry.

Mr. Anthony Wright (Great Yarmouth) (Lab): I recognise the initiatives that the Government are undertaking in this area, but we should recognise that there is a particular shortage of the skills to which the Minister has referred. We are talking about not just the North sea oil and gas industry, but a worldwide market. The industries in my constituency have drawn my attention to this skills shortage, pointing out that we will need such skills for the next 30 to 50 years. What are the Government going to do to address this problem?

Malcolm Wicks: We are working very hard with the industry and with the sector skills councils. A new traineeship has been created under the modern apprenticeship banner, bringing younger people into the industry. I am certainly not complacent about the question of the work force's demography, and we are working hard to address this issue. This is a great British, and Scottish, industry, and a very attractive prospect for young people thinking about career opportunities.

Work-Life Balance

8. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What action he is taking to promote a healthy work-life balance. [6522]

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): Work-life balance benefits business and employees. We introduced the right to request flexible working, and nearly a million parents have since made such requests, of which almost 90 per cent. were accepted. We plan to extend this to carers of adults. We consulted on further measures in the "Work and Families: Choice and Flexibility" consultation, and we will announce the results in due course.

Mr. Reed: I thank my hon. Friend for that reply and welcome her to her new position on the Front Bench. Does she agree that work-life balance is probably the biggest issue that many people face in terms of quality of life, and not just in the early years? While pursuing the Warwick agreement, recognising the importance of extending maternity leave, and increasing paternity leave for fathers like me who have had young children in the last few years, should we not also recognise that this is an important issue for those in mid-life, and particularly in the context of caring? Quality of life is crucial, and we will improve it only if we also reduce the length of the working week. Is it not important to achieve flexibility and to ensure that we do not work the longest hours in Europe?

Meg Munn: I thank my hon. Friend for his kind comments and I very much agree with what he said. It is very encouraging that many new fathers want to spend time with their children, and we are consulting on introducing greater flexibility in that regard. As I said earlier, we are also consulting on extending this provision to adult carers. We want to get this right, and it is important that businesses have the opportunity to comment, because we want them to succeed. On long working hours, I am pleased to tell my hon. Friend that they are coming down, but I agree that we need flexibility and balance.

Sir Nicholas Winterton (Macclesfield) (Con): I welcome the hon. Lady to the Dispatch Box and hope that she has a successful ministerial career. I recently

attended an awards ceremony in Macclesfield at which the company, Complete Medical Communications, was given a work-life balance award. I am delighted about that. Clearly, work-life balance has an important part to play. *[Interruption.]* Wait! However, does the Minister accept that seeking to spread the work-life balance culture could add significantly to the costs of industry and commerce? Will the Government ensure that regulation and additional costs are not foisted on industry and commerce without the proper cost assessment being carried out, so that the Government know and business knows what additional costs they will be expected to bear? We are concerned about competitiveness.

Meg Munn: I thank the hon. Gentleman for his kind comments and congratulate the company in his constituency. The fact is that many companies that have good work-life balance policies are very successful, but we do take account of the hon. Gentleman's considerations about the proper calculation of costs. We are not rushing into any proposals and they will be properly assessed before we introduce them. We know that Conservative Members were worried about the costs of the national minimum wage and the social chapter, but they have both proved to be good for business and good for Britain.

MINISTER FOR WOMEN

The Minister for Women was asked—

Graduation Statistics

20. **Chris Bryant** (Rhondda) (Lab): What assessment she has made of the proportion of (a) women and (b) men who will graduate in mathematics, science and engineering in 2005. [6535]

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): Figures for 2004 show that the proportion of women graduating in mathematics, science and engineering was 38.2 per cent. and for men the figure was 61.8 per cent. It is not possible to provide this information for the 2005 academic year, as graduation is still some weeks off.

Chris Bryant: I too congratulate my hon. Friend. It is a delight to see her at the Dispatch Box and we all look forward to her receiving her proper recompense in the fullness of time.

Surely the days are long gone when women were expected to study only supposedly soft subjects like the arts at university? Nevertheless, there is still some prejudice attached to whether young girls should go on to study maths, science and engineering, despite the fact that some of the best scientists, mathematicians and engineers in the world nowadays are indeed women. [HON. MEMBERS: "Name one."] Marie Curie. Would it not be a good idea for the Government to offer more support for young women studying such subjects throughout their primary and secondary school education so that—

Mr. Speaker: Order. The Minister will manage an answer now.

Meg Munn: Thank you, Mr. Speaker, and I thank my hon. Friend for his kind comments and concern. I agree with him that the time is long gone when we should consider women as capable of studying only certain subjects. Even within the sciences, however, there remain considerable differences, with 66 per cent. of graduates in bio-sciences being women while for computer sciences, engineering and technology, the proportion is much lower. My Department is working closely with the Department for Education and Skills in supporting its strategy to improve the quality of science teaching, including making it more relevant and inspiring to girls and evaluating careers advice.

Pay Differential

21. **Tony Lloyd** (Manchester, Central) (Lab): What steps she plans to take to reduce the pay differential between men and women. [6536]

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): The Women and Work Commission will make recommendations on tackling the gender pay gap this autumn. We are helping employers address equal pay through funding both the equal pay tool kit and training for equal pay representatives within the workplace.

Tony Lloyd: May I also welcome my hon. Friend to the Front Bench? She may have a personal interest in the question of equal pay. The equal pay legislation some 30 years ago made early gains, but since then the move towards achieving fairer pay in our society has stalled. If we take into account part-time workers, our country has one of the worst records in Europe. I welcome what my hon. Friend said about the involvement, through the commission, of interested parties. Will she ensure that the trade unions and the Equal Opportunities Commission are fully involved in every aspect, so that the process gains real impetus and we can ensure that another generation of women does not have to be subject to parliamentary questions such as this in 30 years' time?

Meg Munn: I thank my hon. Friend for his kind comments, and I agree with what he says. The Women and Work Commission was set up because achieving equal pay for women remained a problem even many years after the Equal Pay Act 1970 was introduced. The gender pay gap has narrowed significantly but it remains wide, especially in respect of part-time working. This is a complex issue: occupational segregation is one element, but there are many others. I assure my hon. Friend that the commission is fully involved with trade unions and the EOC, and with the representatives of many businesses and employers.

Mrs. Eleanor Laing (Epping Forest) (Con): May I also welcome the Minister to her Front-Bench job? I listened carefully to her answer to the hon. Member for Manchester, Central (Tony Lloyd), and I value the work that she is doing to try and bring about equal pay—so is it not somewhat ironic that the Prime Minister, who appointed her to this important position, has failed to ensure that she is paid the same as other Ministers? It is

not her fault: it is the Prime Minister's. I take the question of equality seriously, as does the Minister: what a pity that the Prime Minister does not!

Meg Munn: I thank the hon. Lady for her welcome. We have shared platforms on women's issues in the past, and I look forward to continuing to work alongside her on these issues. Obviously, ministerial pay is not within my remit, but I reassure the hon. Lady that that does not appear to involve a gender pay gap; it seems to have more to do with being new to Government. She might like to know that, since 1997, 15 men have been unpaid Ministers, and four women.

Ms Barbara Keeley (Worsley) (Lab): What progress has been made in respect of women reaching the top of their careers?

Meg Munn: The problem of women's ability to break through the glass ceiling remains considerable, and more progress needs to be made. Women are starting to get nearer the top in those professions where they have become much more common—if that is the correct term—but we hope that much more work can be done, especially higher up the scale. The Women and Work Commission will look at the matter too, as a significant problem remains in respect of women at the top of their professions, and in the boardroom.

Sandra Gidley (Romsey) (LD): The Minister has regularly attended Women's questions in the past, and I welcome her to the Dispatch Box. She will be aware that the pay gap in the civil service has widened to 25 per cent. The Public and Commercial Services union has taken up more than 2,000 cases on behalf of women, and it has said that many Departments are delaying the resolution of those cases by lodging appeals. One arm of Government is aiming for equal pay, but other arms are resisting it: what message does she think that that sends out? What conversations has she had or will she have on this matter with ministerial colleagues from other Departments?

Meg Munn: I thank the hon. Lady for her kind welcome. She and I and the hon. Member for Epping Forest (Mrs. Laing) have often made a threesome over the past months on platforms where we have discussed women's issues. At times, we have been in agreement, so I am sorry that on this occasion I must disagree with her contention about civil service pay. When we look at full-time equivalents, we see that more women are employed at jobs with lower responsibilities than men. It is also fundamental to compare the pay of men and women who carry out equal work. The median salary pay gap—the figure to which she refers—does not take account of the different responsibility levels across the civil service, and so does not compare equal work. When the responsibility level is taken into account, the gender pay gap is around 5 per cent. That problem needs to be addressed.

Sports Participation

22. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What discussions she has had with sports governing bodies about women's participation in sport and physical activity. [6537]

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): The Department for Culture, Media and Sport public service agreement target 3 is to raise women's participation by 3 per cent. by 2008. Our main deliverer, Sport England, and national governing bodies have discussed this issue through the mechanism of the whole sport plans. My right hon. Friend the Sports Minister and the Football Association also discussed the legacy programme from the recent UEFA women's football championships held in England.

Mr. Reed: I thank my hon. Friend for that reply. I know her commitment to women's participation in sport, having played tennis with her this morning in the all-party tennis group.

Barbara Follett (Stevenage) (Lab): Who won?

Mr. Reed: She usually wins.

Crucially, the 2004 general household survey showed that only 36 per cent. of women are participating in one session of sport or physical activity a week, compared with 52 per cent. of men. We know about the growth of obesity and the problems that are related to it. In my opinion, the 3 per cent. growth target is woefully inadequate. Will the Minister ensure that from school right through to active ageing, women get opportunities to take part not just in sport but in physical activity across the board?

Meg Munn: My hon. Friend is right. There is a real problem with participation and we do want participation to increase, so in schools we have a particular focus on ensuring that young girls continue to take up sporting opportunities throughout schooling. It is enormously important that we also look at the ways in which older women can take up sport or go back to sport, because taking part in sporting activity not only is a good start to the day—as it certainly is when it is the all-party tennis group—but it has enormous benefits for people's general health and well-being.

Business of the House

Chris Grayling (Epsom and Ewell) (Con): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Mr. Geoffrey Hoon): The business for next week will be as follows:

MONDAY 27 JUNE—Second Reading of the Civil Aviation Bill.

TUESDAY 28 JUNE—Second Reading of the Identity Cards Bill.

WEDNESDAY 29 JUNE—Opposition Day [3rd Allotted Day]. There will be a debate on a motion in the name of the Liberal Democrats. Subject to be announced.

THURSDAY 30 JUNE—There will be a debate on "Helping Africa to fight poverty" on a motion for the Adjournment of the House, followed by at 6 pm the House will be asked to approve all outstanding estimates.

FRIDAY 1 JULY—The House will not be sitting.

The provisional business for the week after will be:

MONDAY 4 JULY—Opposition Day [4th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced, followed by proceedings on the Consolidated Fund (Appropriation) Bill.

TUESDAY 5 JULY—Second Reading of the Immigration, Asylum and Nationality Bill.

WEDNESDAY 6 JULY—Remaining stages of the Finance Bill.

THURSDAY 7 JULY— A debate on defence in the world on a motion for the Adjournment of the House.

FRIDAY 8 JULY—The House will not be sitting.

I should also like to inform the House that the business in Westminster Hall will be:

THURSDAY 7 JULY—A debate on sustainable development.

Chris Grayling: The Leader of the House has just confirmed his decision that the debate on the Second Reading of the Identity Cards Bill will be held next Tuesday. He was, of course, until two months ago Secretary of State for Defence. Does he not remember, in that role, taking a decision that next Tuesday should also be the day when the Royal Navy holds a major international celebration to mark the 200th anniversary of the battle of Trafalgar? It is an event that will be held in the presence of the Queen and the Duke of Edinburgh, and many Members of the House will be attending.

Does the Leader of the House not realise that setting the debate for such an important and controversial measure as the Identity Cards Bill on the same day as that major national occasion will be seen as an insult to the Royal Navy, to the royal family and to Members of the House? Does he not also realise that Members attending the event may struggle to get back to the House in time for the vote, and certainly will not have the opportunity to participate in the debate? Will he recognise the clash that he has caused and move the debate on the Identity Cards Bill to a different day next week?

Two weeks ago, I asked the Leader of the House whether we could have a debate on the problems that the Licensing Act 2003 is causing for small village halls and clubs. He refused. Yesterday the issue was raised with the Prime Minister at Prime Minister's questions. He showed that he had little idea of the nature of the challenge facing many of our halls and clubs. There are only six weeks left for those halls and clubs to comply with the new regulations that the Government have imposed on them. I ask the Leader of the House again, will he provide an opportunity for Members to debate this issue once again, to allow them to tell the Government of the very real problems that these measures are causing for halls and clubs in their constituencies, so that something can be done about it before it is too late?

Why are the Government delaying the Committee stage of the National Lottery Bill? Even though the debate on Second Reading is over, they are still refusing to give dates for the Committee. It is a disgraceful measure, whereby the Government are hijacking national lottery money to plug the gaps in their public spending plans. It received widespread criticism in the House and elsewhere. Given that delay, are the Government planning to drop the Bill; or is there another reason for what is an abnormal and unwarranted delay in the Committee stage?

Finally, let me take the right hon. Gentleman back, once again, to the issue of Zimbabwe. When I asked him last week and the week before for a statement by a Foreign Office Minister on the disturbing situation there, all he could suggest was that we hold an Opposition day debate on the issue. Does he not think that the situation in Zimbabwe is serious enough for the Government to provide the House with a proper briefing about what they are doing, without having to be dragged and, indeed, argued into doing so by the Opposition?

Mr. Hoon: As someone who is looking forward to participating in next Tuesday's celebrations and to voting at 10 pm on Tuesday, I was somewhat surprised to hear of the difficulties. I am sure that the hon. Gentleman and other hon. Members will be able to witness the splendid celebrations on Tuesday and still be back in time to vote at 10 o'clock. That is certainly my plan and my intention.

As for small village halls and clubs, my right hon. Friend the Prime Minister acknowledged their importance and that of maintaining their financial position.

As for the National Lottery Bill, there is simply no delay. We had a vigorous debate on Second Reading very recently; and, of course, the Bill will take its place in a crowded legislative programme—crowded simply because the Government are determined to make the necessary changes in our society and to ensure that the legislation that we set out in our manifesto, on which we were elected, as I have to remind the hon. Gentleman each week, passes into law and into effect.

Certainly, we treat the issue of Zimbabwe with great seriousness.

Keith Vaz (Leicester, East) (Lab): May we have a debate in Government time on the Government's proposals to abolish the right of appeal on visitors' visas

for oral hearings? A number of hon. Members had a very useful meeting with the Minister for Immigration, Citizenship and Nationality yesterday. The fact is that the abolition of that right of appeal is not covered in the Immigration, Asylum and Nationality Bill, because Ministers can make such decisions according to the rules. This issue affects a large number of our constituents, especially those of hon. Members with immigration case loads. Will my right hon. Friend consider whether we can debate that very important issue?

Mr. Hoon: My hon. Friend is an acknowledged expert on this question, and I shall certainly not trade detail with him from the Dispatch Box given his expertise. I will certainly ensure that my right hon. Friends with responsibility for such issues are made aware of his concerns.

Mr. David Heath (Somerton and Frome) (LD): Sadly, there is news today of a further 30 people killed in Baghdad and many others wounded. The British Army is in the field in Iraq. The last statement from a Minister was, I believe, on 31 January from the Foreign Secretary. We have not had a debate for a whole year. Can there ever have been a time when British forces were not given the benefit of a proper report to the House while engaged in active service over such a long period?

Many commuters in overcrowded, sweltering trains will have been exasperated by the announcement by the Association of Train Operating Companies last week that it proposes to charge more to travel in those trains, particularly given that South West Trains has increased its profits so massively. May we have a debate on those proposals, so that we make it clear that we support public transport, want people to use it and do not want to discourage people from using trains in the capital city and elsewhere?

I understand that progress has been made on setting up the Select Committees. That is very welcome. What plans has the right hon. Gentleman to set up the Scottish Grand Committee and, I hope, to move away from its slightly anodyne proceedings in the previous Parliament, perhaps by incorporating some novelties, such as Question Times for Ministers and considering Sewel motions passed to it by Scottish Ministers?

Lastly, may I draw the Leader of the House's attention to the Prime Minister's comment on tax credits in answer to the hon. Member for North Thanet (Mr. Gale)? He said:

"we will not seek to get the money back if the error is on the part of the Inland Revenue."—[*Official Report*, 22 June 2005; Vol. 435, c. 798.]

That was flatly contradicted by the Paymaster General in her statement less than half an hour later. Given that a lot of people feel strongly about the matter and want clarity, may we have a debate entitled "Chaos in the Tax Credit System" and, if so, will the Leader of the House assure me that the Chancellor of the Exchequer will open it and not send a junior Minister? The Chancellor of the Exchequer has become the Macavity of the Cabinet:

"He always has an alibi, and one or two to spare",

whatever time there is blame to take, "Macavity's not there".

Mr. Hoon: If I may deal first with the question of British troops deployed in Iraq, Ministers have kept the House regularly informed about their position. If the hon. Gentleman had been listening a touch more closely earlier, he would have noticed that I announced a debate on defence in the world for 7 July. I am sure that the debate will give my colleagues in the Ministry of Defence the opportunity to deal with such questions.

The hon. Gentleman asked about train congestion charging, but I think that he might need to listen a little more carefully because he elevated what was no more than a suggestion from the train operators into an announcement. That is not Government policy—there has been no change to Government policy on pricing. It is important that we do not run away with the idea that something that was no more than a suggestion by train operators is a specific new initiative.

I am grateful for the hon. Gentleman's observations about progress on Select Committees and am sure that all right hon. and hon. Members will welcome that progress. It is important to get Committees, including the Scottish Grand Committee, set up soon.

The hon. Gentleman asked for a debate on tax credits, but he has a perfect opportunity to hold such a debate next week. His party has to make up its mind about what we will be debating next Wednesday, so I would have thought that he would have the perfect opportunity to put forward the suggestion that he made to the House.

Mr. Bob Blizzard (Waveney) (Lab): May I ask my right hon. Friend how he would feel if he received a bill from BT for expensive long-distance phone calls that he had never made and was threatened with disconnection if he did not pay? Is he aware that thousands of people throughout the country face that situation, including a children's charity helpline in my area, because they have all been victims of so-called internet rogue dialling? May we have a debate on that topic so that the House can send a message to BT and other telecom providers that people should not have to pay for what they have not bought?

Mr. Hoon: My hon. Friend made his point clearly and succinctly and I am sure that those responsible will have taken note of what he said.

Mrs. Maria Miller (Basingstoke) (Con): The Leader of the House will be aware that the Secretary of State for Health has said that all primary care trusts should offer one cycle of in vitro fertilisation treatment for eligible couples by April this year. A £10 million funding shortfall in my North Hampshire primary care trust, which covers the Basingstoke area, means that it cannot offer any IVF treatment at all now or in the foreseeable future, which is causing extreme distress among my constituents who want such treatment. Will the Leader of the House make time for an urgent and full debate on the matter because my constituents are fed up with empty promises from Ministers on IVF treatment when there is no money available on the ground to put it in place?

Mr. Hoon: The hon. Lady raises an important issue and I am sure that those responsible will note her points. However, I must remind her that the national health

[Mr. Hoon]

service is currently in receipt of record amounts of money. That money is being given year on year, so as the Government are increasing funding to the NHS by such huge amounts, it is not unreasonable for trusts to manage that money responsibly and effectively.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): May I draw the Leader of the House's attention to the written statement produced by the Home Office today on the sectors-based scheme review and especially the part relating to the hospitality sector? It is proposed that that scheme should be terminated at the end of July, but it has proved extremely useful to restaurateurs in my constituency and, I suspect, many others. The Home Office reasons for terminating the scheme are, in my view, based on circular evidence: entry clearance officers refuse applications, thereby demonstrating that applications are not valid, whereas I know that one case was overturned by an adjudicator on the basis that anybody applying for a job in the UK was clearly doing so because they would be earning more money than in their country of origin, yet that was used by entry clearance officers as a reason for refusing the claim. That will have disastrous consequences on employers in my constituency, so will the Leader of the House ask Home Office Ministers to meet representatives of Indian restaurateurs to explore urgently how the scheme can continue and not jeopardise businesses that employ many people and provide a good service to many members of the public?

Several hon. Members *rose—*

Mr. Speaker: Order. Before the Leader of the House answers I hope that every hon. Member will take note that I do not want long questions.

Mr. Hoon: Thank you, Mr. Speaker. I was minded to say that we should not need a debate after the contribution of my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), but she makes an important point and I will ensure that the Ministers responsible are informed of what she has said.

Mr. Peter Robinson (Belfast, East) (DUP): The Leader of the House will know that next week the Northern Ireland Grand Committee is to meet—once again—in the precincts of the House. Why do the Government permit three Members of the House to block the Committee from meeting in Northern Ireland? Surely, there is a requirement that the people of Northern Ireland see the Committee at work, especially as the three people who are blocking it come from a party that is prepared to go with the Select Committee on Northern Ireland Affairs to Northern Ireland, to be members of that Committee when in Northern Ireland and to have their party representatives make representation to the Committee when it is in Northern Ireland.

Mr. Hoon: I am sure that those responsible will have noted the hon. Gentleman's remarks.

Jonathan Shaw (Chatham and Aylesford) (Lab): In my constituency, unemployment has dropped by 42 per cent. since 1997 and now stands at 2.7 per cent., but if we are to maintain that economic prosperity, is not it vital that we have investment in skills? That cuts across all Departments, so will my right hon. Friend use his good offices to ensure that we have a cross-cutting debate in Westminster Hall to consider skills?

Mr. Hoon: Recent employment figures demonstrate that, yet again, the Government have created economic circumstances in which a record number of people are in work in the UK. Obviously, it is important that we continue that progress and my hon. Friend makes a good point about the importance of skills. People who are without work now tend to be without work simply because they lack appropriate skills, so it is certainly important that we hold the kind of cross-cutting debates that he described and I anticipate that the subject he mentioned will be a good one.

Sir Paul Beresford (Mole Valley) (Con): The Leader of the House will be aware, I hope, that there are about 19,000 village halls in England. All of them will be hurt badly by the Licensing Act 2003. The Prime Minister was faintly positive yesterday, yet his junior Minister swept the whole concern aside in a sentence and a half in an Adjournment debate in Westminster Hall. Can we have an assurance that the Leader of the House will ensure that the appropriate Minister brings forward changes to save those 19,000 village halls?

Mr. Hoon: Again, I think that the hon. Gentleman is somewhat exaggerating the impact of proposals. My right hon. Friend the Prime Minister made clear the Government's strong support for the excellent facilities provided across the country. As the hon. Gentleman indicated, there has already been an Adjournment debate on the subject and it is obviously a matter that the Government take extremely seriously.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): On Monday, a report will be published called "Where will the next generation of UK mathematicians come from?" The conference that led to that report was organised by one of my constituents, Dr. Tony Gardiner. Following the question put by my hon. Friend Member for Chatham and Aylesford (Jonathan Shaw), may I ask that we urgently debate where our skills base will come from, especially in fields such as mathematics, so that we ensure future prosperity for this country?

Mr. Hoon: I am grateful to my hon. Friend for raising that issue. Having responded positively to a previous question, I can see the opportunity for some good co-ordinated teamwork.

Mr. Andrew Mackay (Bracknell) (Con): As the highly controversial Identity Cards Bill is rightly seen by many people as a major civil liberties issue, surely there is a strong case to hold its Committee stage on the Floor of the House. Can the Leader of the House give me an assurance that that will happen?

Mr. Hoon: I cannot give the right hon. Gentleman that assurance, which will probably not come as a surprise. I anticipate, however, that right hon. and

hon. Members will have a vigorous debate on Second Reading. Obviously, the Bill will then proceed in the usual way.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend arrange time for a debate on the Government's excellent scheme to give free bus travel to pensioners from next April? Many of my constituents are disappointed, however, as they have been told that the free travel scheme will not apply to the Sheffield supertram. There is unfairness either for the people who use the supertram or for taxpayers in south Yorkshire, who would have to subsidise an additional scheme to extend the free travel to the supertram. If we believe in integrated transport, surely tram passengers should enjoy equal treatment with bus passengers.

Mr. Hoon: My hon. Friend makes an important point, and I assure him that I will make sure that my right hon. Friend the Secretary of State for Transport is made aware of his concerns.

Sir George Young (North-West Hampshire) (Con): The Leader of the House will know that today is the date of the election in the South Staffordshire constituency. The Opposition clearly wish a safe return to Sir Patrick Cormack. Can the Leader of the House arrange a debate in Government time on whether there is a better way to deal with those unusual but tragic circumstances in which a candidate dies during a campaign that does not involve a constituency being disenfranchised for two months?

Mr. Hoon: Sir Patrick Cormack remains a distinguished member of the House of Commons Commission. I need to be careful about what I say about the prospect of his return, but there is a meeting of the Commission on Monday, and I am confident that the issue will be raised in due course.

Miss Anne Begg (Aberdeen, South) (Lab): I do not know whether the Leader of the House is aware of it, but next year the analgesic co-proxamol is due to be removed from the approved list, and GPs will not be allowed to prescribe it. GPs are already desisting from prescribing it, which is causing a great deal of concern among people who depend on the drug to manage their pain and allow them to carry on with their life. Will the Leader of the House consider allowing a debate on such a matter?

Mr. Hoon: My hon. Friend raises an important issue for many people across the country. It is important that those issues are dealt with in a consistent way, so I will ensure that my right hon. Friend the Secretary of State for Health writes to her and sets out the Government position.

Stewart Hosie (Dundee, East) (SNP): The Leader of the House may be aware that recent figures from the Ministry of Defence showed that the shortfall in complement of the Scottish division was improving, with a marked improvement in the shortfall of the Black Watch. Given that new information, will the Secretary of State for Defence come to the House and make a statement to justify whether the merger of the Scottish regiments remains appropriate, whether it should be postponed and reviewed, or whether it should be halted?

Mr. Hoon: I hope that the excellent recruitment is the result of the tremendous publicity given to the Scottish regiments as a result of the proposals for change. I emphasise, however, that those proposals were not based on a lack of complement but on ensuring that we have the right kind of armed forces and the right organisation to face the challenges confronting the country in the 21st century.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): I have a constituent, Mr. Fred Overton, whose wartime service in Japan was not commemorated by the Ministry of Defence with a proper medal. Many hon. Members have constituents who feel that their service in many theatres in the last war and succeeding conflicts was not properly commemorated with a medal, so I would like to ask the Leader of the House, given his recent career history, to arrange for a wide-ranging debate on the general principle of how the Ministry of Defence deals—or, indeed, does not deal—with the recognition of service in defence of this country.

Mr. Hoon: Obviously, I am not familiar with the case raised by my hon. Friend, but I am sure that Defence Ministers will examine it carefully if he writes to them. I can only say from my previous experience that the question of medals probably causes more controversy, difficulty and debate than almost any other subject covered by the Ministry of Defence. It is certainly important that these issues are debated, because they affect many brave people who have worked tirelessly on behalf of this country over many years.

Mr. Roger Gale (North Thanet) (Con): The hon. Member for Somerton and Frome (Mr. Heath) kindly pointed out earlier that in response to my parliamentary question yesterday the Prime Minister said of tax credits that

"we will not seek to get the money back if the error is on the part of the Inland Revenue."—[*Official Report*, 22 June 2005; Vol. 435, c. 798.]

Unfortunately, the hon. Gentleman is also correct that half an hour later, the Paymaster General kicked the bottom out of that promise by saying that that would apply only if it would be "unreasonable to assume" that claimants did not realise that an overpayment had been made. The adjudicator's report clearly indicates that 50 per cent. of the complaints that she receives are about tax credits, and that 86 per cent. of cases find in favour of the claimant. The Inland Revenue refuses to change its view that while it cannot get its figures right our constituents ought to be able to do so. Would the Leader of the House do Dame Barbara the courtesy of ensuring that the adjudicator's report for 2004–05 is debated fully in the House?

Mr. Hoon: I do not accept that there is any inconsistency between what my right hon. Friends the Prime Minister and the Paymaster General said. A detailed and thorough statement was made, and right

[Mr. Hoon]

hon. and hon. Members had a full opportunity to ask my right hon. Friend the Paymaster General a series of questions on the subject.

Chris Bryant (Rhondda) (Lab): May we have a debate on legislative processes? Later this year, we are bound to transpose the European directive on artists' resale rights into British law, and we will probably do so by means of a statutory instrument that will be debated for no more than an hour and a half and will be unamendable. Similarly, two years ago, we reclassified cannabis on the basis of a one-and-a-half hour debate. I support the former—I did not support the latter—but the point is that neither measure is amendable, and one-and-a-half hours is simply not enough time. It may not be appropriate to subject either matter to a full legislative process, but could we introduce a third way whereby we have a longer debate and amendable statutory instruments?

Mr. Hoon: It is a matter for the House, but a Modernisation Committee will be established in due course this Session, and my hon. Friend may be able to make representations to it with a view to ensuring more effective scrutiny where appropriate.

Sir Nicholas Winterton (Macclesfield) (Con): If I may say so, I am not sure that the Leader of the House gave the right reply. As a past Chairman of the Procedure Committee, I think that the answer to the question asked by the hon. Member for Rhondda (Chris Bryant) is that that is a matter for the next Procedure Committee to consider. I hope that he will bear that in mind.

To return briefly to the impact of the Licensing Act 2003 on village halls, on Saturday, I shall attend a fundraising event in a village hall that will also be attended by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). As I have received many representations from my village halls about the impact of the Licensing Act, will the Leader of the House treat the matter seriously, as the Prime Minister did when he responded to a question about it yesterday, by arranging for a Minister to come to the House to explain the current situation and to give an assurance that the Government will review it in the light of experience? We do not want village halls up and down the country to have to close because of the additional costs that the Government are imposing on them.

Mr. Hoon: I am not going to debate with the hon. Gentleman the respective responsibilities of the Procedure Committee and the Modernisation Committee. No doubt, we can discuss them in future in one or other of those Committees. As for the impact of the Licensing Act on village halls, I assure him that it is a matter that the Government and I take extremely seriously. It was raised with my right hon. Friend the Prime Minister, and he gave it due attention.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Government have achieved a great deal in the past eight years in their attack on social exclusion, and they have taken tentative steps to tackle financial exclusion. There is evidence in constituencies such as mine, however, of the return in greater numbers of loan sharks and doorstep credit sellers. Is there not more that we can do? It would be very helpful indeed to have a debate on the matter, as we could look at the role of credit unions, whose membership has tripled in a decade to 500,000, including the Prime Minister and myself. Credit union membership is relatively low in the United Kingdom—it is 45 per cent. of the population in Ireland, 30 per cent. in the USA, 20 per cent. in Australia, but just 1 per cent. in this country. Could we discuss by means of a debate how we can tackle some of the despicable piranhas of poverty who prey on poorer communities?

Mr. Hoon: My hon. Friend makes an important point and one that the Government are keen to address, which we will do through the Consumer Credit Bill currently passing through Parliament. He has made his point effectively, and I am sure it will be acknowledged in the legislation.

Mr. Paul Burstow (Sutton and Cheam) (LD): May I draw the attention of the Leader of the House to early-day motion 310?

[That this House regrets the ongoing confusion and inequity that surrounds NHS continuing care; notes with concern that the retrospective review of eligibility for continuing care has often been accessible to only the most articulate leaving many vulnerable people unfairly paying for their continuing health care; regrets the missed opportunity by the Department of Health to clarify the situation by drawing up national eligibility criteria after the publication of the Ombudsman's report in February 2003; calls on the Department of Health to use the forthcoming National Standards Framework to introduce national eligibility criteria that make it clear that those with primary health needs must be entitled to NHS continuing care, give equal weight to mental and physical needs, and clearly distinguish between patients eligible for NHS continuing care and those eligible for high band registered nursing care contribution; notes the widespread support for these measures from such groups as Age Concern, Alzheimer's Society, Citizens Advice, the Health Service Ombudsman and in the conclusions of the recent report of the Health Select Committee, NHS Continuing Care.]

Early-day motion 310 deals with the continuing confusion and chaos in the system for determining entitlement to NHS-funded continuing care for older people, in the community and in care homes. The issue has been running in the House for more than 10 years and remains a problem, with the ombudsman making a condemnatory report of the Government's handling of it. May we have a debate on the Health Committee's report? If we did so, we could explore the seriousness with which Government are tackling the issue with a view to removing the confusion and ending the postcode lottery of access to free health care for older people so that they no longer have to sell their homes to pay for what they thought they would get free.

Mr. Hoon: I have not read in detail the alleged charges set out in early-day motion 310, but I can assure the hon. Gentleman that the Government take this matter extremely seriously and will respond in detail to the Select Committee report.

Mr. William Cash (Stone) (Con): Does the Leader of the House know that I wrote to the Prime Minister yesterday regarding the European Scrutiny Committee? The problem is that it has not been set up, so there are scrutiny reserves which are not being carried out as the House has resolved. This is a serious matter, particularly in view of recent events in France and the Netherlands and the collapse of the constitution. Can the right hon. Gentleman give us an assurance that the European Scrutiny Committee will be set up at once?

Mr. Hoon: I acknowledge the hon. Gentleman's concern about the European Scrutiny Committee and other Committees that need to be established quickly in order to allow their work to continue. I assure him that the matter is receiving rapid and urgent attention.

Mr. Nigel Dodds (Belfast, North) (DUP): Following the vicious attack on a lawful and peaceful parade in my constituency last Friday night resulting in severe injuries to many innocent people, there is real anger and concern in Northern Ireland, particularly in Belfast, as we approach this weekend that the violence aimed at the lawful parade has been rewarded through the bizarre and provocative decision of the Parades Commission in respect of another parade, the Whiterock parade, this Saturday. May we have an early debate in Government time on the role of the Parades Commission—an unelected unaccountable quango that is making decisions that cause great instability and rising tension in Northern Ireland? The issue needs to be addressed. May I respectfully urge the Leader of the House to tell his right hon. Friend the Secretary of State for Northern Ireland that no longer can the Government hide behind that quango and leave everybody else to clear up the mess?

Mr. Hoon: The hon. Gentleman knows better than I the sensitivities of these issues. I am sorry that he is so critical of the work of the Parades Commission, which after all has to balance a number of factors in the difficult judgments that it has to reach. I assure him that I will draw his remarks to the attention of my right hon. Friend the Secretary of State.

Mr. Gerald Howarth (Aldershot) (Con): I hope the Leader of the House is able to combine a visit to Trafalgar 200 with attendance at the House for the Second Reading debate, thanks to the services of his hon. Friend the Deputy Leader of the House, who he knows to be a distinguished helicopter pilot and who will no doubt be ferrying him backwards and forwards. Is it not the case that the Leader of the House has staged the Second Reading debate of one of the most controversial Bills of this Parliament on a day of national celebration of the bicentenary of the battle of Trafalgar in the hope that publicity surrounding the row about ID cards will eclipse Trafalgar 200, thereby sparing him the embarrassment of exposing the shameful way in which he ran down the Royal Navy during his stewardship? Is this not his parting two-finger gesture to the First Sea Lord, who consistently attacked the Secretary of State, as the right hon. Gentleman then was, for his run-down of the Navy?

Mr. Hoon: The hon. Gentleman exceeds his normal standards of conspiracy theorising in relation to the timing of the debate on Tuesday. The 10 o'clock finish will give me and other right hon. and hon. Members the opportunity of returning, not necessarily in the tried and trusted hands of my hon. Friend, but by more conventional forms of transport. I am sure that all Members who want to will be able to return in time. As regards the reorganisation of the Royal Navy, I assure the hon. Gentleman that that is necessary to ensure that the Royal Navy continues to be equipped for the future and does not depend on providing ships that are of historical interest but no more than that.

Dr. William McCrea (South Antrim) (DUP): Can the Leader of the House find time for a debate on major environmental issues affecting Northern Ireland, and my constituency in particular—issues such as the approved asbestos sites at Crumlin and Antrim and the major waste dump at Cottonmount, which are totally rejected by the community and strike fear into it?

Mr. Hoon: By raising the issue today, the hon. Gentleman has no doubt made his point effectively. However, it is important that we continue to debate environmental issues, not only in Northern Ireland but in all parts of the United Kingdom. I will ensure that his observations are passed to the appropriate Ministers.

Mr. Paul Goodman (Wycombe) (Con): Can the Leader of the House assure us that the Secretary of State for Defence will not have to cut short his attendance at the Trafalgar day celebrations in order to return to the House to vote at 10 pm to try to save the Government's repulsive Identity Cards Bill? Is that not just another illustration of the folly that the Government have wrought by timetabling the two events on the same day?

Mr. Hoon: I am grateful for the hon. Gentleman's concern about the Secretary of State's travel plans. I am sure my right hon. Friend will manage his time in the best way.

Dr. Julian Lewis (New Forest, East) (Con): Is not the Leader of the House showing just a touch of disingenuousness in focusing on the question whether or not people can get back for the vote? Surely the point about his ingenuity in keeping the spirit of Jo Moore alive by seeking to bury bad news—at sea, on this occasion—is the way in which these events will be reported. The debate on identity cards is not good news for the Government and it will be overshadowed by the report of the first royal fleet review since 1977. So may I congratulate the Leader of the House on his ingenuity in seeking to cheat the media in this way?

Mr. Hoon: There is a competition on the Opposition Benches for the title of chief conspiricist, but I am sure that hon. Members who persist in reminding me of my previous responsibilities will also be able to contribute to Defence questions in due course.

Sandra Gidley (Romsey) (LD): The Leader of the House will be aware that this is the time of the year when many decent citizens have their lives blighted by the sort of travellers who trespass on land, intimidate the local residents and leave behind a trail of destruction. In my

[Sandra Gidley]

area, the county council, the borough council and the police all seek to blame each other and pass the buck, but the buck surely stops with the Government. When will they devote some Government time to tackling the problem?

Mr. Hoon: That is an issue that right hon. and hon. Members raise regularly. We all understand the harm done to local communities when illegal trespassers settle and leave behind significant disruption, but increasingly effective legal measures are available, and the Government have improved those measures over the years. If there are specific legal difficulties, I hope the hon. Lady will raise them with me and I will ensure that the problems are examined.

Tony Baldry (Banbury) (Con): May we have an early debate on early-day motion 339 about the future of the Supporting People programme, which has commanded support across the House?

[That this House condemns proposals by the Government to cut Oxfordshire County Council's Supporting People budget by 60 per cent., or in real terms by £5.9 million by 2007–08; further notes that the service loss has been described by Oxfordshire Age Concern as 'alarming' and by mental health charity Oxfordshire Group Homes as 'disastrous'; agrees with Oxfordshire County Council that the proposed Supporting People distribution formula is a 'rushed job done by the Government's consultants through the minimal consultation' with neighbouring authorities faring dramatically differently from 48 per cent. gains to 73 per cent. cuts; believes that the proposed distribution formula threatens to be a one-way street for support services with big cuts in the services which lose and virtually no expansion of services in the authorities which gain; and calls on the Government urgently to review the proposed Supporting People distribution formula to ensure that the most vulnerable in the community continue to receive the funding and support they require.]

We need an early review of the distribution formula for the "supporting people" programme. As it stands, counties such as Oxfordshire will have a 60 per cent. cut in the budget. Not surprisingly, organisations such as Age Concern say that that is alarming. Mental health charities have said that it will be disastrous. This is ticking time bomb for the Government, since it will mean that in the year to come all sorts of organisations will not get the money that they thought they would get to do valuable work supporting the vulnerable. Please will the Leader of the House ensure that we have an early debate on the topic?

Mr. Hoon: The hon. Gentleman raises an important issue, and I will ensure that the appropriate Minister responds to him in detail.

Mr. Nigel Evans (Ribble Valley) (Con): I will be at the fleet review on Tuesday, too, so if the Leader of the House could give me a lift back, I would be extremely grateful. I wonder whether he saw the BBC "Panorama" programme on Sunday night about cannabis and psychotic disorders, particularly affecting young people who take cannabis regularly. We used to have an annual debate on the Government's drugs strategy and an annual report, but that seems to have gone by the board. Is it possible to have an urgent debate on the Government's drugs policy before the Government inquiry reports around Christmas time on the reclassification of cannabis from class B to class C?

Mr. Hoon: I, too, saw reports about the harmful effect of cannabis. It is a matter of great concern and I know that the Government will respond in detail to the recommendations.

Orders of the Day

Regulation of Financial Services (Land Transactions) Bill

Order for Second Reading read.

12.11 pm

The Economic Secretary to the Treasury (Mr. Ivan Lewis): I beg to move, That the Bill be read a Second time.

I begin by apologising to the House that I have to leave after opening the debate to attend a family wedding. The Conservative party has been generous in understanding that. The Chief Secretary will remain throughout the debate, and will close it ably and effectively. *[Interruption.]* I am always nice about the Chief Secretary.

I am delighted to bring the Bill before the House. In doing so the Government are fulfilling a commitment made in May 2004 to bring home reversion plans into statutory regulation by the Financial Services Authority. To buy a home reversion plan is a huge financial decision, involving the most important and sometimes only significant asset of elderly people. In addition, it can have significant implications for tax, benefits, inheritance and long-term financial planning, which need to be considered carefully. Regulation is facilitated by the Bill and is not designed to discourage people from purchasing such products. It will help people make informed choices, offer valuable consumer protection and ensure that there is a level playing field in the equity release market. Most of that already falls within the scope of FSA mortgage regulation.

Furthermore, the provisions will ensure that those who are uncomfortable about taking out interest-bearing loans, such as Muslim consumers, can access the growing market in sharia-compliant home finance products while benefiting from the protections afforded by the FSA regulation. The Bill has been introduced to meet the needs of consumers, but also at the behest of the industry, which has welcomed the news that the Government are to legislate to level the regulatory playing field in this area.

Mr. Michael Fallon (Sevenoaks) (Con): I thank the Minister for giving way so early in his speech. He says that the Bill will be of benefit to consumers. Will he confirm that his own regulatory impact assessment says that the measure will cost £11 million immediately and will have an ongoing cost of £5 million a year? Is that not exactly the kind of over-regulation about which the Prime Minister was complaining?

Mr. Lewis: I refute that suggestion. These measures are supported by the organisations that sell the products, and by consumers. Surely we have a responsibility to protect consumers, particularly vulnerable consumers, many of whom are older people. They require protection by the FSA. The hon. Gentleman is out of touch if he regards the measure as an example of over-regulation. There is a consensus that it is effective and sensible.

On 17 May in *The Financial Times*, Jon King, the chairman of Safe Home Income Plans, whose members include the vast majority of home reversion lenders, said:

> "I'm delighted this has come so soon. People should now feel safe that these schemes are worth considering. Regulation means that people will be compensated if sold the wrong plan."

Jon King is far more in touch with these issues than the hon. Gentleman.

Hon Members will find it useful if I take a moment to clarify what home reversion plans do. At base they are simply a form of equity release scheme—financial products that allow home owners to release the value of their property above any amount over the mortgage. Equity release schemes involve a provider giving the home owner a lump sum, income or both on the basis of the value of the home, while allowing home owners the right to continue to live in the property. Providers receive their returns when that home is sold. These schemes are generally sold to the over-60s and they provide a valuable means for pensioners, who may be cash poor, to realise some of the value that they have locked up in their homes and so improve their standard of living.

The products are not simple to understand. Realising a cash lump sum or income by equity release can have complex implications for pensioners' tax and benefit situation. Hence the need for regulation to ensure that potential purchasers of equity release schemes receive an appropriate level of advice.

There are two basic types of scheme: mortgage-based schemes or lifetime mortgages, and reversion plans. The clear difference between the two is that in mortgage-based schemes the householder retains ownership of the property whereas in reversion plans the reversion provider becomes the owner of whatever proportion of the property is sold. In mortgage-based equity release schemes, also called lifetime mortgages, home owners take out a loan secured on their property, but with the interest on that loan becoming payable when the house is finally sold, either on death or when the owners move into long-term care. These products are currently regulated by the FSA. In a home reversion plan, home owners sell all or part of their house at a discounted rate in return for a lump sum and/or income, and continue to live in the house rent free or for a peppercorn rent for life. The amount paid to the house owner is based on a number of factors, including the value of the property, the proportion of the property sold, the life expectancy of the owner, long-term interest rates and expected house price inflation. These plans are not currently registered by the FSA.

The other products that the legislation is designed to bring within the scope of regulation are ijara home finance products. These are two main types of home finance products in the United Kingdom.

Mr. Henry Bellingham (North-West Norfolk) (Con): There have been reports in the press of relatives who had been expecting to inherit the home getting upset when their interests are not properly protected. Obviously it is important that people who want to take out an equity release scheme should be able to do so, but what is his advice to relatives, who in some cases have ended up suing solicitors and other professional advisers?

Mr. Ivan Lewis: I cannot comment on individual cases: it depends on the circumstances. Most older people are perfectly able and sufficiently lucid to make judgments about what they want to do with their assets. Obviously, if financial advisers or others are seeking to exploit and abuse these situations, it is right to ensure that we have a level of regulation that is appropriate in the circumstances. From that point of view, I welcome the hon. Gentleman's intervention. He makes the point that FSA regulation would give enhanced protection. That is important. As I said, there is a consensus that this is appropriate, not excessive, regulation.

Dr. Julian Lewis (New Forest, East) (Con): I am a little concerned about the case of some of my constituents who are involved in some specific equity release schemes—involving Barclays Bank, if I remember correctly—whereby if they wanted to sell the property if their circumstances changed, they would have to part with something like three quarters of the increase in the value of the property. They were not paying interest; they entered into this deal instead. Such schemes have been discontinued, but some people are effectively trapped in homes they cannot sell because the vast amount of increase in the price would go to the company that gave them the interest-free loan against the equity of the property, and they could not find another more suitable property. Are the Government proposing to do anything to help those people out of the trap in which they find themselves caught?

Mr. Ivan Lewis: The hon. Gentleman understands that we cannot introduce retrospective legislation, but we sympathise with people who find themselves in such circumstances. If is incredibly difficult to help people if those transactions were perfectly lawful, even if they have had unintended consequences. The hon. Gentleman mentioned Barclays bank, and if he feels that it has behaved unreasonably, he should take the matter up directly with its senior management on his constituents' behalf.

Two main types of home finance products are currently aimed at meeting the religious needs of Muslim consumers in the UK. The first, murabaha, involves a financial institution purchasing the chosen property and then selling it immediately to an individual at a higher price. The higher price is then paid back on a monthly basis to the financier over a period of up to 15 years. Those products are already covered by FSA regulation.

The second type, ijara, involves a financial institution purchasing the chosen property, at which point the individual agrees to pay back the exact purchase price either over a period of up to 25 years or at the end of the payment term. Ownership of the property remains with the lending institution until the payment term is up. The individual pays rent to the financial institution over the payment term and becomes the owner of the property once the purchase price paid by the financial institution is repaid. The financial institution makes its profit from the rent paid, which is seen as a fair payment for use of the property rather than a charge for borrowing money. That arrangement is not currently covered by FSA regulations.

Mr. Sadiq Khan (Tooting) (Lab): I recently chaired a meeting in the House hosted by the Muslim Council of Britain and attended by some of the world's leading sharia finance experts. Does the Minister agree with those experts that the UK leads the western world in the provision of sharia-compliant financial services? Does he also agree that the Bill will ensure that those of our citizens who choose sharia-compliant products get the same protection as other consumers?

Mr. Lewis: I agree with my hon. Friend and pay tribute to his work in raising the profile of these issues and ensuring that the Bill responds sensitively to consumers' needs.

The Bill will remove the current imbalance between the regulation of murabaha products and the lack of regulation of ijara products. It will ensure proper protection for all consumers who choose to use non-interest bearing products for reasons of conscience—other consumers may feel the same way as members of the Muslim community about such products.

The Bill will allow us to bring flexible tenure products into the scope of regulation, if that becomes necessary or desirable in the future. At present, providers of such products are exempt from FSA regulation, as they are registered social landlords. In response to the consultation, however, we have undertaken to consider the regulation of those products, if private providers enter the market in the future. Any action to introduce regulation in that area would be subject to a rigorous cost-benefit analysis and would require secondary legislation. I hope that hon. Members now have a clearer picture of the characteristics of the products that form the focus of the Bill.

The FSA assumed responsibility for the regulation of first-charge mortgages secured on a purchaser's primary residence from 31 October 2004. The Government's decision to regulate in this area was announced by the then Economic Secretary in December. The decision was taken to ensure that people had adequate protections when they made what for many is one of the most significant financial decisions of their lives. The size of most mortgage loans, combined with the long repayment cycles and the fact that default can mean the loss of family homes, means that they are qualitatively different from other common financial products and as such require particularly rigorous and careful regulation. The Government's decision to regulate was broadly welcomed by both the industry and consumer groups.

Mr. Nigel Dodds (Belfast, North) (DUP): I welcome these sensible regulatory measures, but I seek clarification. Will all the provisions apply directly to Northern Ireland or will further secondary legislation be required?

Mr. Lewis: The contents of the Bill will apply to Northern Ireland.

With FSA regulation, lenders and intermediaries are required to provide a high standard of advice to the tens of thousands of people who take out mortgages every year, which should help avoid mis-selling scandals in future and allow consumers to make informed choices about the mortgages that are best for them. Informed and confident consumers should in turn support the stable future development of the UK's diverse and competitive mortgage market. The Bill seeks to extend those benefits of regulation.

As I have said, neither home reversion plans nor ijara home finance products are currently regulated by the FSA. Those products are not currently specified as regulated activities pursuant to the Financial Services and Markets Act 2000. Of course, the fact that activities relating to reversion plans are not currently specified as regulated activities does not mean that there is not still scope for abuse. Indeed, given that these products, by their very nature, are aimed at sometimes vulnerable people, it is clear that we have a particular responsibility. Not only is there a risk of mis-selling—we must remember that these products are not simple to understand and that they can have complex interactions with pensioners' benefit entitlements—but there is currently a lack of redress if things go wrong.

I should not paint an incomplete picture for the House, because consumers of home reversion plans are not completely without protection at the moment. The home reversion market is subject to voluntary regulation through safe home income plans. Members of SHIP agree to comply with a code of practice and undertake to provide a fair, simple and complete presentation of any plan they offer. They also offer a guarantee that consumers will never owe a lender more than the value of their home, which is known as a no negative equity guarantee. However, those protections are a long way short of the protections offered by statutory regulation and the FSA's regime. Lifetime mortgages, which in effect are very similar products to home reversions, provide a clear model for what FSA regulation of home reversion plans might look like. They are considered to be high-risk products and are accordingly subject to rigorous rules.

The sort of rules that one would expect to see the FSA apply to home reversion schemes under the powers granted by this Bill include rules to ensure that providers must advise of risks as well as benefits when advertising reversion schemes; rules on advice to consumers which would ensure advisers considered implications for tax and benefits, as well as matching the consumers overall needs and circumstances to product features; and a requirement for firms to issue key product information to consumers in a clear and understandable format. Furthermore, FSA regulation will offer consumers access to the financial ombudsman service in the event that they wish to make a complaint, and it would also provide cover under the financial services compensation scheme. None of those protections is currently available to purchasers of home reversion schemes, which not only leaves elderly people in all our constituencies at risk of mis-selling, but creates a distortion in the equity release market and opens the door for confusion among consumers as to what is FSA regulated and what is not.

The industry has been a keen proponent of regulation for reversion plans in order to remove any consumer confusion and to boost consumer confidence in the equity release market as a whole. Although the market in home reversion products grew by 13 per cent. in the first quarter of 2005, it remains small at less than 3 per cent. of the total value of lending in the equity release market. FSA regulation is seen by many industry participants as a prerequisite of further expansion of this market. By boosting consumer confidence, it will ensure potential demand is realised, and by securing the reputational risk of reversion providers, it will encourage more players to enter the market.

Having set out clearly where the Government see the benefits of extending FSA regulation in the way the Bill proposes, I should stress that we have arrived at a balanced view of the overall benefit of regulation following extensive consultation. In line with the Government's general commitment to better regulation, we have sought to ensure that the changes proposed by the Bill are necessary, and the costs justified. Our consultation exercises have demonstrated overwhelming support for the measures.

As I am sure hon. Members will have noted, the Bill is extremely short and very simple, weighing in at only two clauses. Many of us would welcome other Bills of a similar nature. The legislative background to the Bill is that in order for an activity to be regulated, it must be carried on by way of business and specified in an order made under section 22 of the Financial Services and Markets Act 2000. Schedule 2 to that Act sets out in broad terms the kind of activities and investments that can be specified in an order made under section 22. Although it includes loans secured on land or standard mortgages, it does not cover other types of finance provided in connection with the acquisition or disposal of land.

If, as I sincerely hope, the House sees fit to support the Bill, secondary legislation would be brought before the House in the form of an affirmative resolution statutory instrument which would precisely define the products and activities that would be regulated by the FSA in future. It is the Government's stated intention to consult publicly on the content of that secondary legislation to ensure that it is properly targeted and effectively focused. In addition, the FSA will consult publicly on the detailed rules that would apply to these products.

There is no reason to believe that any future regulation of home reversion plans and ijara products would be very different from that already in place for lifetime mortgages and murabaha products. However, it is important to note that the FSA is obliged to take account of the particular features of each product it regulates and to ensure that the rules it applies are proportionate to the risk posed.

I hope I have gone some way towards convincing hon. Members of the considerable merits of this Bill; it will be up to my right hon. Friend the Chief Secretary to finish the job. The Bill will extend important consumer protections to vulnerable and minority consumers, level the playing field in mortgage regulation and ensure that there are no artificial distortions, and bolster consumer confidence in these products and so help to ensure that their markets continue to develop. It has found strong support among consumer groups and industry alike, and I hope that it will garner support from all Members who contribute to the debate. I commend it to the House.

12.32 pm

Mr. Mark Field (Cities of London and Westminster) (Con): One might assume that Treasury Ministers and I would have approached this debate with a somewhat heavy heart, as there must surely be better ways of spending a sun-drenched Thursday afternoon than debating an uncontentious—or relatively uncontentious—Bill such as this. Our cheerful countenance owes more to the fact that the alternative attraction for us this afternoon would be poring over yet more clauses of the

[Mr. Mark Field]

Finance Bill in Committee. Make no mistake, the lottery of parliamentary timetabling sometimes produces winners.

I am delighted to lead for the Opposition on this Second Reading debate. I welcome the Chief Secretary to his place in the Government's Treasury team. As was pointed out earlier, he is deputising—if that is the right word—for the Economic Secretary, who is attending his sister's wedding. My only hope for the rest of the Lewis clan is that he will not make a long speech at that happy family occasion, or if so that equity release and home reversion schemes will not feature as part of it.

In this illustrious Treasury team there is also a Financial Secretary who, with a name like Healey, was always destined to make his name in that great Department of State. But to really get on, as the Chief Secretary will confirm, he will need to change his name by deed poll to Brown. For my part, at 40 in this relatively youthful shadow Treasury team, I am something of a veteran, in age if not experience. As someone who is already over the hill, I am a warning to all new Members present about how quickly one goes from being a young Turk to an old stager.

Let me get on to the business. I should say at the outset that, in principle, Conservatives support the proposals in the Bill. We welcome any move that will increase public confidence in home reversion or equity release schemes, which have been the subject of a stream of adverse publicity in the financial press over recent years. We accept the proper desire of Government to facilitate consumers making better, more informed choices and to create a level playing field in this rapidly evolving market. As life expectancy increases, Conservatives welcome innovative new ways for people during their lifetime to utilise the equity that they have accumulated in their main residential home. As the Minister said, this should help the elderly to live with dignity and independence. Naturally, we shall want during the passage of the Bill to examine the proposals carefully to ensure that any new rules are not overly complicated and achieve their goal with the minimum of regulatory burden. Above all, we need a flexible approach.

Mr. Fallon: Everybody seems to support the Bill, but I hope that one of the aspects that my hon. Friend will keep under review when it comes to the detail is that the cost should be proportionate. It seems to me that £11 million as a one-off cost is a huge amount of money.

Mr. Field: I entirely accept my hon. Friend's concerns. I assume that he is not making a bid to serve on the Bill Committee, as despite the Bill's having only two clauses, proceedings might take longer than we had in mind.

As the Minister pointed out, the Financial Services and Markets Act 2000 provides consumer protection by defining a "regulated activity" in the United Kingdom. The purpose of the Bill is to bring home reversion schemes under the umbrella of section 22 of that Act, which covers contractual rights in respect of loans secured on land, but not other types of finance provided in connection with the acquisition or disposal of land.

As hon. Members will be aware, the Financial Services Authority has regulated activities relating to mortgages since last October. That reflects the reality of the world in which we now live, for the initial exclusion of mortgages from financial services oversight seemed strangely perverse. After all, for the vast majority of the population mortgages are the largest single financial investment they are likely to make in the course of a lifetime. Buying an equity release scheme has financial planning, tax and inheritance implications, and the group most at risk is the elderly.

In due course, I want to deal with a few of our concerns about the operation of the Financial Services Authority, especially in the light of—how should I put it?—creative tensions between the Prime Minister and the Chancellor on its role and importance as regards the global competitiveness of the UK financial services sector.

I want first to make some observations on the contemporary importance of these schemes. Equity release allows a home owner to sell all or part of his or her house at a discounted rate to a regulated provider in return for either a lump sum or income while continuing to live in the house rent free for life. There is little doubt that such schemes will become increasingly prevalent. That fact alone should never be regarded as a reason in itself to regulate, but it is important that we examine equity release schemes in the context of fast-changing demographics. However, in regulating we must not stifle innovation and flexibility, which I hope will continue to be the watchwords of success in the financial services field.

Thankfully, people are living longer. Countless millions of Britons are building up personal wealth, predominantly in bricks and mortar, in a way that was unthinkable only a generation ago. Many, as they get older, are naturally reluctant to sell off a long-cherished family home full of memories of a life well lived. Similarly, others wish to avoid the disruption and displacement of a house move in later life. Nevertheless, as pensions returns—whether state, occupational or personal—become ever more unreliable, there will be an increasing clamour from home owners to utilise some of the equity they have in their home to cover the cost of day-to-day living.

That, I suspect, will not apply only to the retired or semi-retired. I think that in many ways it is a welcome trend. I must confess that I have always been a little uneasy about forcefully defending either side of the argument in the debate on the funding of long-term residential care for elderly home owners. The current arrangements allow only a very small holding of financial assets before deductions on a pound-for-pound basis for the cost of care. Naturally, that is a tremendous disadvantage to lifetime saving and the taking of individual financial responsibility. By the same token, it is rather perverse to spend public money to enable the beneficiaries—generally a younger generation—to inherit an estate intact, while being unwilling to take on some of the responsibility for elderly relatives during their later years. I fear that equity release schemes alone will not be enough to solve that long-standing conundrum, but I hope that they will go some way towards reflecting the reality of modern living.

It should be emphasised that such schemes will not only benefit the elderly who wish to live in dignity and independence. They will also be employed by middle-aged parents who have paid off all or most of their mortgages, but now want to help their children to get on to the housing ladder. I think that over the next few years we will hear much more about the difficulties facing those who are currently in their 20s, and other young people who are yet to enter the workplace. What worries me in the current debate about pension provision, for example, is that most current thinking across the political spectrum amounts to little more than a pyramid sales scam against the young.

I am acutely aware that I am at the youngest end of a very fortunate financial generation. I am just old enough to have benefited from university education at a time when getting a full student grant for fees and maintenance was the norm. I entered the workplace in the late 1980s, when tax rates were in a post-war trough and—by current standards, at least—it was relatively inexpensive to get on to the property ladder. When I speak to today's students—as I am sure other Members do—or deal with constituents who are only a few years out of university, I am struck by the fact that many of their generation are almost uniquely likely to be markedly worse off financially than their parents. More often than not, people in their late 20s find themselves with five-figure student loans still to be paid off. In London and the south-east in particular, it is almost impossible for such people to get a foothold on the first rung of the property ladder, even when their salaries are well in excess of the national average.

While today's young work force are funding the current state pension scheme, they know, and I think all of us here know in our heart of hearts, that that will be unsustainable in the long term. In a sense, the financial interests of one generation are being pitted against those of another. I think it inevitable that equity release schemes will increasingly be demanded by a generation of home owners who are keen to provide capital so that their offspring can buy homes of their own during their lifetimes. If that social trend is to be encouraged, as I believe it should be, it is all the more important for there to be general confidence in this rapidly evolving market.

During the Government's open consultation on whether activities relating to home reversion schemes should be regulated by the FSA, some attention was also paid to flexible tenure products. Such schemes allow home owners to increase or decrease equity ownership by transferring interests in a property to and from financial providers such as local authorities or housing associations. There is, I believe, an acceptance that they should be included in the scope of the Bill, although I understand that that is not the intention. The Government's reasoning is that neither local authorities nor registered social landlords should be subject to FSA regulation. I realise that the intention of the draftsmen was to keep an eagle eye on the development of the equity release markets. Nevertheless, I wonder why it was felt that local councils and registered social landlords—often the most important players in the development of the housing market in some of our cities—should be exempt at this stage.

It is essential for any regulatory framework to give the consumer of financial products legitimate protection. That must be the overwhelming objective if there is to be sensible regulation. We were rather disappointed by the Prime Minister's off-the-cuff criticisms of the FSA, which seemed to play to the gallery while missing the serious point. Incidentally, does the Chief Secretary consider the FSA an inhibitor to business, or does he prefer the Chancellor's view that it is a beacon for the rest of the world? Certainly, many financial institutions report feeling increasingly intruded on by the over-burdensome regulation of the FSA, but there seems little cause for complacency such as that expressed so recently by the Chancellor. We need to engage in a more serious debate about the FSA's future in an increasingly innovative competitive and global financial services sector.

We remain determined to protect investors, savers and home owners comprehensively from the mis-selling of financial services and products. In an Adjournment debate on 4 April, however, my hon. Friend the Member for South Norfolk (Mr. Bacon) exposed the FSA's inability to deal rapidly with fraud in the cheque clearing system, even when the institution concerned was one of the UK's largest banks, Abbey National. In the case to which he referred, the FSA clearly failed to monitor the bank's compliance with rules relating to money laundering. Moreover, having lodged a complaint with the FSA, the victims' group has spent more than 12 months waiting in vain for the regulator to begin an investigation. That does not inspire the highest level of consumer confidence. We believe that maintaining growth and competitiveness must be at the heart of the regulator's agenda. There is no reason why that should be at odds with concern about financial stability and consumer protection.

The ability to be flexible is vital to all participants in an open marketplace. We can be assured that some of the providers creating new products under the Bill will be innovative and fast-moving, and that consumers will acquire—and require—a commensurate level of protection. However, if the regulatory regime is too onerous we will risk losing such financial services-related business to beyond these shores, to the detriment of the creation of UK jobs and tax revenues. The consumer stands to suffer too, as the costs of regulation will run up the costs of the new products, and will limit not just the number of new entrants, but the range of equity release schemes.

As we made clear before the election and I am keen to reiterate today, any future Conservative Government, while perhaps not going quite as far as my hon. Friend the Member for Sevenoaks (Mr. Fallon) might wish, would want to give the FSA an additional remit by placing competition and competitiveness at its heart. It must be made plain that institutional business—professional to professional—needs only prudential oversight. Similarly, private client businesses with a high net worth which do not deal with the general public should be regulated with a lighter touch. Even some equity release schemes might come into the latter category. However, I fully appreciate that in the main, although not exclusively, products being sold under the Bill will require more substantial regulatory protection.

I hope that the Minister will be able to confirm that he will authorise a review on the anniversary of mortgage activities coming under the auspices of the FSA this October. We would want it to include a detailed investigation of the workings of mortgage regulation to

[Mr. Field]

ensure that it has not been unduly burdensome, while maintaining essential protection for the consumer. Assuming that the Bill completes its passage successfully, I also think that it would be helpful to have a commitment to an early review of its operation. Above all, it should be borne in mind that in expanding the power of a regulator such as the FSA, we must always investigate any unintended consequences of the legislation, not only for consumer protection, but for product innovation and market profitability.

With those reservations, we are happy for the debate to continue. I hope that we shall hear from a number of Members, new and old. This is an important Bill that will affect countless numbers of our constituents. I trust that by the time its passage is completed we shall have ensured that the necessary protections are in place.

12.49 pm

Mr. Andrew Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Thank you, Mr. Deputy Speaker, for giving me the opportunity to make my maiden speech in the House of Commons today. I have listened with interest to the clear explanation of the Bill given by the Economic Secretary to the Treasury and to the helpful comments of the hon. Member for Cities of London and Westminster (Mr. Field). This is an important Bill that has much to recommend it to my constituents, and I shall say more about it in due course.

I intend first to follow the conventions of the House in addressing the characteristics of the constituency that I have the honour to represent, and of the Members who have served before me in representing it here. D. N. Pritt, the distinguished King's counsel whose clients included Ho Chi Minh and Jomo Kenyatta, represented the Shepherd's Bush area from 1935 to 1940 as a Labour Member, and from 1940 to 1950 as an Independent, following his expulsion from the Labour party for supporting the Soviet invasion of Finland. I wanted to get the Soviet invasion of Finland into the debate early, before any other Member raised it. Pritt was defeated at the 1950 general election by Frank Tomney, who sat as the Labour Member for Hammersmith, North—as it then was—until 1979. Tomney's only reference to Pritt in his maiden speech was this:

"The Communists and the pro-Communist elements of the last Parliament have been scattered to the four winds and I am happy to say I played no small part in this myself."

The convention that maiden speeches should be complimentary and uncontroversial is clearly of recent origin. It would be difficult to imagine two more different men than Mr. Pritt and Mr. Tomney. Mr. Tomney also told the House:

"I have come directly from the benches of a factory to the benches of the Commons".—[*Official Report*, 28 March 1950; Vol. 473, c. 296.]

D. N. Pritt was a bencher of the Middle Temple. They were both remarkable men.

My predecessor-but-one on the Ealing, Acton side is of a more recent vintage. Indeed, I am delighted to see him in the Chamber today. I refer to the right hon. Member for North-West Hampshire (Sir George Young), who represented the then seat of Ealing, Acton between 1974 and 1997. He tells me that he continues to hold Ealing and Acton and their residents firmly in his affections. I can tell him that those sentiments are reciprocated. Eight years after his departure, constituents of all political persuasions remember him warmly, as much for his good nature as for his tireless work.

The marriage of Ealing and Acton with Shepherd's Bush in 1997 led to the election of my distinguished predecessor, Clive Soley. Clive was a member of this House for some 26 years as MP for Hammersmith, North—later Hammersmith—and, until his retirement at the recent general election, for Ealing, Acton and Shepherd's Bush. Clive had a distinguished political career in this House and beyond. While suffering 18 years in opposition, he was nevertheless a ground-breaking shadow Minister for housing, home affairs and, most notably, Northern Ireland. He was a popular and respected chairman of the parliamentary Labour party, and he has been a campaigner on some controversial topics, including the proper regulation of the press.

Clive is perhaps best regarded for his work on conflict resolution and on promoting democracy and reconciliation around the world. In addition to his work in Northern Ireland, he has been active as an election monitor and as a founder of the Arab-Jewish Forum. He will shortly take his seat in the other place. I have known Clive for more than 20 years. He has been my MP, a party colleague and an eloquent advocate on behalf of his constituency. He will be greatly missed and I will find it difficult to meet the expectations that he has created.

As its lengthy title implies, Ealing, Acton and Shepherd's Bush covers a number of distinct communities in west London, not only those named in its title, but Hanger Hill, Southfield, College Park and Old Oak, and the White City, South Acton, Wormholt and Edward Woods estates. It is a mixture of Victorian and Edwardian terraces running along the routes of the District, Central and Piccadilly tube lines, of post-first world war homes for heroes, and of post-second world war local authority and housing trust estates. It is comparatively wealthy and leafy in the west, almost village-like in the centre, and assertively inner city in the east. It boasts some iconic institutions, including the BBC, the Shepherd's Bush Empire, Ealing abbey, Hammersmith hospital and Wormwood Scrubs prison. It contains a substantial part of Britain's biggest industrial estate, Park Royal, and is dissected by several of the capital's main arterial roads.

Since the election of Labour Governments after 1997, Ealing, Acton and Shepherd's Bush has seen considerable regeneration. Unemployment has fallen by half—and long-term unemployment by 85 per cent. Crime is down and police numbers are substantially up, in particular through the recruitment of safer neighbourhoods teams. The White City area is one of the largest development sites in any major European city. It promises to bring thousands of jobs, homes, businesses and shops to Shepherd's Bush, along with the transport and environmental improvements to sustain them. With Government assistance, the boroughs of Ealing and of Hammersmith and Fulham are spending hundreds of millions of pounds on the improvement of local authority homes under the decent homes initiative. Almost every primary and secondary school has seen substantial capital investment.

What distinguishes my constituency most—and is, in my opinion, its finest feature—is the sheer diversity of its population. There are 50 major first languages spoken there, and another 75 significant minority communities. It has third or fourth generation Irish and Caribbean residents, Polish and other eastern European communities, Bengali and other Asian groups, and Arab and African nationalities, including a large Somali population. Almost every country and continent is represented. As a model for integrated living, I recommend it.

I am pleased to have played a part in the life of the constituency as a resident, a councillor for almost 20 years, and as leader of the London borough of Hammersmith and Fulham from 1996 until last month. However, as someone rooted in this part of west London, where my family has lived for four generations, I also see what still has to be done. The view of London, and west London in particular, as a wealthy region is not an accurate one and it needs to be challenged, particularly in regard to allocating public funds. It is more true to say that this is an area of extremes—of wealth and poverty, and of opportunity and barriers to success. That the cost of living is so high and the stress on services so great is in itself a reason why those who struggle have a lower quality of life than they might do elsewhere. This is an issue that I will, with no apology, return to again in the House.

The Bill that is before the House today is a significant measure for two groups that are well represented in Ealing, Acton and Shepherd's Bush. The first are the elderly residents who are cash poor and wish to release equity tied up in their homes. The second are Muslim homebuyers who need to finance purchase schemes that are compliant with sharia law. There is a large and heterogeneous Muslim population in Ealing, Acton and Shepherd's Bush, and the issue of ijara schemes has been often raised with Clive Soley and me.

Two days ago, the House debated a controversial measure to outlaw incitement to religious hatred. Today's Bill will not receive a fraction of the attention devoted to that one, but to my mind, it is a measure of equal significance. It affirms that all citizens of this country will be treated equally in all aspects of their daily lives. It is a sensible and constructive measure and I commend it to the House.

12.58 pm

Dr. Vincent Cable (Twickenham) (LD): I want to add my broad support for the Bill but, first, I pay tribute to the maiden speech of the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), which was elegantly phrased and a good introduction to the House. Perhaps I might add that, if he could do something about the traffic congestion and endless roadworks on the way to the BBC centre at White City, much of the House—not to mention his constituents—would be permanently indebted to him. I was surprised that, as a Labour Back Bencher, he did not mention that his constituency is host to Queen's Park Rangers football club. He will soon learn that, in the Labour party, such interests represent an important route to credibility.

Mr. Slaughter: I should have mentioned it, even as a Fulham season ticket holder.

Dr. Cable: Indeed.

There are two main elements to the Bill. As has been said, there is broad consensus among consumer groups such as the National Consumer Council, the Consumers Association, the Consumer Panel of the Financial Services Authority, as well as in the industry, on support for the broad principle of bringing home reversion schemes within FSA regulation. I have some questions, which partly reflect that asked by the hon. Member for Sevenoaks (Mr. Fallon). We all accept the principle of regulation but wonder why it is so costly.

We are considering a small industry, comprising about 50 companies, many of which are small, especially in terms of the providers. An estimate—I believe that it is an NCC estimate—shows that even a small company will bear a cost of approximately £475,000 to implement the regulation. Has the FSA considered how the compliance costs could be reduced to more manageable proportions while achieving the Bill's objectives?

I also want to ask—I shall go into more detail later—why the Bill does not extend to to-let mortgages, which is the other major area in which people are trying to extract value from property appreciation. Much money in the markets is moving in that direction and there is a great deal of potential for mis-selling to consumers. Indeed, many of the same points apply, including the need for a level playing field for different sorts of lending. I should like to know why to-let mortgages were not included—whether through oversight or policy decision, or whether the technical nature of the measure prevents their inclusion.

I also welcome the Bill's second feature, which is the extension of FSA regulation to Islamic financing institutions and the coverage of ijara lending—the part of Islamic finance that the FSA does not regulate. It is a big issue. There are approximately 1.6 million Muslims in this country, of whom 250,000 are home owners. Many are anxious to comply with the requirements of their faith and we have a tradition in the House of trying to accommodate religious faith in financial legislation. In the previous Parliament, we held prolonged discussions with the Christian Brethren about annuities. It was an especially heroic act by the Treasury and hon. Members because the Christian Brethren made it perfectly clear that, whatever we did for them, they would not vote.

The Muslim community is much larger and the problem much bigger. People in the Islamic community with whom I have discussed the matter assure me that they are pleased and grateful for the steps that the Government have taken in the Bill. However, they stress that big obstacles remain to Islamic finance being widely used in the market that we are considering and I shall describe a couple.

The nature of the transaction involves a double switch of ownership—the property has to be transferred to the lender so that a rental stream can be set up and then transferred back. That means that Islamic households pay double stamp duty. Perhaps the Chief Secretary would reflect on whether it is possible to tackle that problem.

Under the capital adequacy ratios, financial institutions are required to set aside 100 per cent. rather than 50 per cent. of the value of the loan in reserving, so a much tougher test of financial prudence is set for institutions that provide Islamic finance. That clearly

[Dr. Cable]

deters the growth of the market. Those issues are technical. The Chief Secretary knows that there are people in the country who are expert in the matter and perhaps he will briefly say whether the Treasury is considering how it can expand its current initiative.

It is right that we should do what we can to encourage the principle of equity release. Enormous numbers of people are asset-rich and income-poor. Anything that can be done to help them release an income from their assets should be welcomed, subject to regulation and prevention of mis-selling. British household wealth is approximately £3 trillion and household debt about £1 trillion. Much of the net £2 trillion is locked in property values. A rough estimate of the total asset valuation of an average household is £50,000. That could convert into a substantial stream of income if it was released.

The problem is that, despite the discussions that we have held on equity release and the Bill, it is an underdeveloped market. There are different estimates of the equity release market but Safe Home Income Plans—SHIP—the private regulatory body, estimates that it grew from £228 million in 1998 to £1.2 billion in 2003. There are other estimates but, given the scale of the equity involved, that is small. None the less, there is considerable potential and one study by a consumer group estimated that equity release could realistically expand from six households in 100 to 40 households in 100 in 20 years. There is therefore much scope for expansion. That would take the market from around £1 billion to £4 billion.

When trying to understand why the market is small and underdeveloped, one has to consider the history of regulation or its failure in the sector. I participated in a debate in January 2003, which the hon. Member for Tiverton and Honiton (Angela Browning) introduced. It covered some of the problems of equity release. The key point that emerged was that the sector was especially prone to serious mis-selling and abuse for several reasons.

First, many customers are vulnerable because they are elderly. Of course, not all elderly people are vulnerable—many of them are extremely sharp and switched on. However, as people get older, their capacity for making complex financial calculations diminishes and the scope for mis-selling is great.

Secondly, some tricky issues surround the valuation of property and that of the discount that applies in the course of a home reversion scheme. The discount is normally 40 per cent. to 60 per cent. and it depends on a complex calculation, which involves age and life expectancy. There is much scope for fixing a number that is disadvantageous to the borrower.

Thirdly, there is scope for large fees, because carrying out a home reversion scheme properly requires independent valuation advice and independent legal advice as well as advice on the products. In many cases, those fees can be considerable. The scope for abuse is great. When we held the debate two years ago, hon. Members of all parties gave moving accounts about the difficulties that the previous boom in home reversion lending in the 1980s caused.

A group of building societies, led by the Chelsea, West Bromwich and Staffordshire building societies, was undoubtedly guilty of perpetrating serious mis-selling of lending, leading to a great deal of hardship that continues to this day for about 10,000 families. Households were encouraged to take on variable loan mortgages and, in return, received bonds. The mortgage interest rates shot up in the financial crisis of the early 1990s, bond yields fell and many people were greatly impoverished.

As the Chief Secretary said in his opening speech, since then the industry has produced a form of voluntary regulation in the SHIP scheme, which has some undoubted advantages. It not only prevents negative equity, as the Chief Secretary suggested, but undertakes that participants continue to live in their home and provides for independent legal advice. There are considerable regulatory gains for the people who participate in it. However, the scheme is fundamentally weak in many ways.

As I understand it, the scheme applies to only 18 of the 50 companies that operate in the industry. It does not involve any form of compliance. The amount of compensation that can be awarded is £25,000, whereas one can get £100,000 from the financial ombudsman and it does not cover cases where the lender becomes insolvent. The scheme therefore has considerable limitations.

Moreover, the FSA has conducted some mystery shopping that suggests that financial advisers routinely fail to give proper advice—routinely, not only occasionally. In 60 per cent. of cases that were monitored through mystery shopping, no attempt was made to explain the risks to participants.

All those factors make the case for regulation through the FSA of the sort that the Government are introducing. The essential arguments for it are consumer protection, a level playing field between different products and the restoration or creation of confidence in an important market.

I want to conclude by asking some questions. First, when do the Government envisage that this new regulation will come into effect? I participated in all stages of the financial services legislation that was introduced two Parliaments ago, and mortgage regulation was first raised six years ago. However, such regulation is only just coming into effect for mortgage-type products. When will this extension of the legislation come into effect?

My second question relates to a point that I made at the outset. Can the Minister explain why the regulatory costs, which are set out in detail in the regulatory impact assessment, are so high, given the relatively small number of companies involved in the industry? I welcome the detail and openness of the assessment. Has the FSA made a serious attempt to tailor its regulatory processes to make such costs affordable and sensible?

Thirdly, when the FSA rules and the secondary legislation are introduced, is the intention to build into consumer protection the provision of independent legal advice? Doing so is crucial to ensuring that consumers are protected. Will there be an obligation to ensure that such advice be obtained?

My final set of questions relates to an issue that I raised in my introductory remarks: why is the Bill not being extended to the buy-to-let market, which is much

bigger than the home reversion market and has many of the same problems? At the moment, many very unsophisticated investors are being lured into a highly sophisticated market. Very complex calculations have to be made in buy-to-let, such as likely occupancy rates and the cost of maintaining let property. Many people entering the market have been told by the promoters of the various schemes that they can become millionaires simply by acquiring property. Simple marketing techniques are being employed disingenuously. The Department of Trade and Industry has already carried out an investigation into rogue syndicates in the buy-to-let market, which suggests that the Government are already aware of the serious potential for abuse. Would it not be appropriate, in view of the information that the Government already have, to bring this market within a regulatory framework at the same time and in the same way?

There is potential for disaster here. A great many people are investing in property on the basis of the simple notion that property markets go up for ever. On lending, the traditional prudent criterion for buy-to-let was that the rental to income ratio should be at least 130 per cent. In some cases, that has been reduced to 100 per cent.—in other words, there is massive downside risk from a deterioration in the property market. For all those reasons, it is important that buy-to-let, like other aspects of the industry, be brought within a regulatory framework.

With those qualifications in mind, I support the legislation. It is largely uncontroversial and welcome and we shall play a constructive role in ensuring that it proceeds through this House as quickly as possible.

1.13 pm

Mr. Philip Hollobone (Kettering) (Con): Today is a very special day for me. Four years ago today, my wife and I were married in the Kettering constituency, and my hon. Friend the Member for Cities of London and Westminster (Mr. Field) was with me on that occasion. Little did we think that, four years on, we would be sitting here on a sun-drenched Thursday afternoon discussing the delights of this Bill. I am hoping that placing Mrs. Hollobone on the parliamentary record might prove some compensation for my not being with her this afternoon.

I am delighted that you have called me, Mr. Deputy Speaker, because this Bill has tremendous relevance to my Kettering constituents. The percentage of home ownership in the constituency is high and rising, the age profile of the local population is high and rising, and life-expectancy—thank goodness—is increasing. House prices have risen a lot, especially in the past decade, and continue to do so. Many local residents want to remain in the homes that they have lived in all their lives. They do not want to sell them and move elsewhere. As has already been said, taking out a mortgage and buying a house is for most people the single biggest investment decision of their lives. I share the view of those Members who have said that the number of equity release schemes is likely to increase in the years ahead, as the British population's age profile rises.

My main theme is that, as a new Member, everything to do with Parliament and its procedures is new to me, including the way in which the Government bring their legislation before this House, but in this regard there is one thing that strikes me as odd. This is a relatively uncontroversial Bill and it is generally agreed that the Government's proposals are broadly right. The Bill consists of only two clauses and enjoys the support of organisations such as the National Consumer Council, the Association of British Insurers and the Council of Mortgage Lenders. It was first proposed in 2002, yet here we are in June 2005, discussing its implementation. In the intervening three years, the equity release market has exploded. While the Government and Parliament have gone through all the necessary procedures, *nothing*, in effect, has been done in law to protect consumers from the dangers that we all realise are inherent in this marketplace.

I shall cite some revealing figures. By the end of 2003, there was almost £2.9 billion in the lifetime mortgage market, with 69,000 lifetime mortgages having been taken out. That market in itself increased by a staggering 69 per cent. in 2003 alone. In 2004, a further £1.2 billion-worth of equity release schemes were taken out, of which some £45 million-worth were to do with home reversion products. According to the Government's own estimate, the equity release market in 2005 is likely to be worth some £1.5 billion—an even higher figure than that for 2004.

The market has been exploding while we have been waiting for the Government to introduce legislation to address everyone's concerns, and there have indeed been concerns in the marketplace. In 2003, the home reversion market totalled some £129 million, yet because of the lack of regulation and the uncertainty surrounding its introduction, that figure fell to £45 million in 2004.

While the procedures that the Government are going through to get this legislation on to the statute book may be necessary, they have been unnecessarily protracted, given that the Opposition parties support such legislation. As I said, the idea was first floated in 2002. In June 2003, the then Chief Secretary to the Treasury announced that the Government were going to introduce

"legislation to bring mortgages and the selling of general insurance within the scope of Financial Services Authority (FSA) regulation".—[*Official Report*, 5 June 2003; Vol. 406, c. 33WS.]

We then had to wait until November 2003 for the Government to publish their "Regulating Home Reversion Plans" consultation paper. However, a month later the then Financial Secretary argued that, in fact, home reversion products are

"sale and purchase arrangements rather than financial services products",

and that they therefore

"fall outside the scope of the Financial Services and Markets Act 2000."—[*Official Report, Westminster Hall*, 17 December 2003; Vol. 415, c. 280WH.]

Then, in July 2004, a further consultation document, "Defining Home Reversions", was published and the consultation was on the content of the definition of these products. We then had to wait until December 2004 for the Treasury to publish its summary of the responses received. In January 2005, a ten-minute Bill was introduced to enable these activities to be regulated. Finally, after the eighth stage in the process, the two-clause Bill was announced in the Queen's Speech this May.

[Mr. Philip Hollobone]

As if that were not enough, as I understand it, there are still four stages to go. This afternoon, we are at the stage in which the Government introduce primary legislation to deal with the issue. We are told that in the next stage the Government will consult and bring forward secondary legislation to amend the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. The FSA will then draw up and consult on rules regarding the sale of home reversion products and, finally, firms will need to apply for the FSA's permission to sell them.

I may be naive, but it is not unreasonable to make the point, on behalf of local residents in the Kettering constituency, that the wheels of government need to be far more responsive to the genuine needs of the people we represent. Taking so long to come up with legislation that enjoys cross-party support and the industry's approval strikes me as disappointing. When the rest of the world is speeding up, it seems that Parliament is in many ways slowing down.

Will the Government provide more clarity on when the legislation is likely to come into force? In the intervening period before the new rules and regulations hit the statute book, will the Government take steps to give consumers extra protection to prevent them from falling victim to people who want to sell more of their products? I recently went on to the world wide web to find out about a variety of equity release products. Some looked very reputable with the SHIP organisation—safe home income plans—doing its best to control the industry. One responsible website said clearly in the small print:

"Reversion schemes are not regulated at the moment, although the Government has agreed that they will be regulated by the FSA in the future".

Fair enough—that is all in black and white. At the end of the product advice, however, it said that XXX equity release company and products were provided through YYY Ltd., which was "organised and regulated" by the FSA. The Minister will know, as we know, that it is the company that is authorised and regulated by the FSA, but to the ordinary man and woman in the street, who may not be familiar with this type of product, that creates the firm impression that the equity release product itself is regulated by the FSA. My worry is that my constituents may fall victim to misunderstanding the small print in some of these publications.

I am delighted to have had the opportunity to speak this afternoon and I am keen to listen to the contributions of other hon. Members. This is an important debate and we will all have constituents who will be affected by the impact of the legislation.

1.24 pm

Mrs. Maria Miller (Basingstoke) (Con): First, I congratulate the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on his excellent maiden speech. I stood in the same shoes not so long ago and I know how it feels. I have rather fond, if painful, memories of the hon. Gentleman's constituency, as I gave birth to my third child in Queen Charlotte's hospital. Interestingly enough, it is located next to Wormwood Scrubs and affords to women in labour spectacular views of the training area.

More and more older people are seeking to release equity from their homes. As the hon. Member for Twickenham (Dr. Cable) said earlier, the sale of equity release plans is expected to increase from £1 billion to about £4 billion in coming years. Home reversion schemes currently account for about £45 million worth of the market. The sector is likely to grow significantly because of the shortfall in many pensions. The collapse of final salary schemes and the extensive burden of tax on pension schemes means that, all too often, my constituents in Basingstoke are looking for new ways to make ends meet. We should do all that we can to ensure that people can buy the available products with a level of confidence. There is a high level of home ownership in Basingstoke and many older people living in the constituency are worried about their pensions and likely to consider these products to help them meet their financial needs in the future.

Currently, the different equity release schemes are subject to very different types of regulation, which, as my hon. Friend the Member for Kettering (Mr. Hollobone) said a few moments ago, can be somewhat confusing. Home reversion is subject to voluntary regulation, but schemes with similar or lower levels of risk could fall under the Financial Services Authority. This sector deals with elderly people and we should be offering them the same safeguards that are available in other sectors of the financial services market. The products are complicated and the decision to undertake a home reversion equity release scheme should not be taken lightly. There are complicated implications for those who may be considering taking them up as an option to boost their pension incomes. Some of the people concerned may have had limited experience of financial services and products in the past.

We are fortunate that many charities have taken up this problem. Age Concern has issued a number of fact sheets and has an excellent website that sets out the problems in detail, and Help the Aged has set up an equity release service in order to support those who feel that they need more advice on the subject. All too often, however, the charities are asked questions that are difficult to deal with and they are often asked to give advice that is perhaps inappropriate for voluntary organisations. Even if those who contact the charities seek professional advice, they will not have the same level of protection against mis-selling that they would for a regulated product. Evidence suggests that change is needed, so let me use an example to highlight it.

Age Concern was contacted by a woman who reported that her neighbours had taken out a reversion scheme five years ago, which involved selling 90 per cent. of their property. They were receiving a modest monthly income from it, but had lost nearly as much in benefits. The husband could not read or write and at the time the decision was made to take up the plan, the wife was in the early stages of dementia. The neighbour felt that those people should not have taken out the scheme and had not fully understood the implications of what they were doing. They were having considerable difficulties trying complain about the advice that they had been given.

It is difficult to quantify the number of people who may now regret taking out reversion products and it is not possible to judge whether they were mis-sold, but it

is certain that the complexity of these products leads many organisations, including Help the Aged and Age Concern, to believe that regulation should apply to home reversion schemes. Regulation should be able to provide a more level playing field, which could be useful both for the providers and the purchasers. It would ensure that the same cost of entry to the market applied to all providers. It would also give purchasers the same level of confidence and protection afforded by other equity-release products.

Good advice is vital. People must understand the risks involved in changes in interest rates and house prices when they undertake these plans, and that the schemes are often not portable. People who want to downsize could therefore find themselves trapped in inappropriate accommodation. As I said before, the means testing of benefits must be taken into consideration when home equity release schemes are considered. Once made, such decisions are difficult to change and so they must not be regretted.

In the past, this sector of the market has not enjoyed a great reputation, which has meant that the larger lenders have not entered the home reversions market—possibly for fear of the risk to their reputations. That may be another reason why it is time to put more formal regulation in place, but I want to draw the Minister's attention to various difficulties that he should consider as we move forward.

As my hon. Friend the Member for Cities of London and Westminster (Mr. Field) said, regulation can place a heavy barrier against market entry, especially for smaller providers. It will cost about £11 million to put the regulation in place, and ongoing costs will amount to about £5.4 million. I fully understand the merits of the FSA, but it has not always been the panacea for all ills. Some people say that it is more about ticking boxes than protecting customers, so we must ensure that everything possible is done to encourage a competitive environment in the financial services sector.

The FSA must draw up its own rules on the sale of home reversions and put those rules out to consultation. I hope that that can be done in a way that protects consumers and promotes and supports innovation in the market. As has been said already this afternoon, this could become a very important sector of the financial services market in future.

Equity release is a growing market, as we have heard, and we must take into account the fact that its growth is often due to the inadequacy of people's pension provision. Without good advice and protection against mis-selling, another financial scandal could happen in the future. It is far better to introduce regulation before another major mis-selling problem arises than to allow a problem to occur in the first place.

1.32 pm

Mr. Mark Harper (Forest of Dean) (Con): I begin by echoing the comments made by my hon. Friend the Member for Kettering (Mr. Hollobone) about how long it has taken to get this Bill before the House. The Opposition, in the person of my hon. Friend the Member for Eddisbury (Mr. O'Brien), have been calling for the measure since January 2003.

I also echo what my hon. Friend the Member for Basingstoke (Mrs. Miller) said. A number of my constituents are thinking about taking out home reversion plans and lifetime mortgages because they are having difficulty making ends meet. In part, that is due to the difficulties that they are encountering with pension schemes and the closure of final-salary pension schemes resulting from the tax of £5 billion a year placed on them by the Chancellor. In fact, the annual burden on pension schemes is larger than the entire equity release market.

The equity release market does more than supplement pensions, as has been noted. In the future, it will be used to pass wealth down the generations and enable the younger members of families to get a foot on a housing ladder that is becoming increasingly expensive and out of reach, especially in London, the south-east and the south-west.

I turn now to the Bill. I support moves to increase confidence, especially in the home reversion equity market. Many of the consumers who find such products attractive are elderly, and they deserve the protection of sensible and robust regulation. They also need access to the financial ombudsman service and the financial services compensation scheme to which the Minister drew attention in his opening remarks. In my Forest of Dean constituency, as is the case in the constituency of my hon. Friend the Member for Kettering, the proportion of elderly people in the population is higher than average. That is likely to increase quickly in the future, so these products will be increasingly relevant to their needs.

In regulation, it is a good principle to ensure a level playing field. Most equity release products are mortgage based. Those products were brought within the ambit of the FSA last autumn, so it seems sensible that the same thing should happen with home reversion plans. That would ensure a level playing field on both sides of the market, but I support the call made by my hon. Friend the Member for Cities of London and Westminster (Mr. Field) for the Government to review the impact of the FSA's regulation of the mortgage market. We need to see how that has worked, and whether the costs incurred are appropriate for the level of protection for consumers. In that way, we can make sure that a proper balance is maintained.

I want to pick up on a point made by the hon. Member for Twickenham (Dr. Cable), who asked about a requirement for independent legal advice. I think that it would be helpful to require those giving financial advice to discuss with clients whether independent legal advice is necessary. However, I am somewhat cautious about making such legal advice compulsory, as some consumers will be well able to understand these matters without it. Insisting on legal advice in all circumstances would add to transaction costs, but it would be helpful if the person giving financial advice were required to discuss the need for legal advice, and to explain some of the pitfalls involved.

What is the cost of regulation, and does it stifle flexibility and innovation? Several hon. Members have drawn attention to the cost of the proposals—a one-off cost of £11 million, and an ongoing cost of £5.4 million. In 2004, the total size of the market for home reversion plans was only £45 million. That represented a fall from the year before, perhaps due to the confusion in the market, but the cost figure that has been quoted still seems rather extreme. The fall may be due to the historically poor reputation of home reversion plans, to

[Mr. Mark Harper]

which my hon. Friend the Member for Basingstoke referred. However, an increase in regulation may serve to increase confidence and cause the market to grow as more consumers choose to take out such schemes. Average market growth would then rise, and the burden of regulation as a percentage of market size would fall. That is to be hoped for and, if it happens, welcomed.

As my hon. Friend the Member for Basingstoke also noted, we must make sure that regulation does not stifle innovation and flexibility. Several hon. Members have noted that the market is likely to grow. We in this country are lucky to have a flexible and innovative financial services industry, so we must ensure that financial service providers are able to deliver new products for the benefit of customers. I hope that the proposed regulation will aid that.

My final point also highlights the need for flexibility. The House of Commons Library has produced an excellent paper on this subject, and the example given in the appendix illustrates the changes in expectations in the financial services industry that have taken place over the past few years. The example refers to an episode of the comedy "The Good Life", made in 1977. For a person of my age, it seems strange that a pension of £2,000 a year was considered absurdly high, and the fact that a house in Surbiton could be bought for only £25,000 is just a distant memory.

The serious point is that decisions involving financial services can extend 20, 30 or 40 years into the future. The world is uncertain and the products are complicated, and that is why good advice is essential.

1.39 pm

Mr. David Gauke (South-West Hertfordshire) (Con): I congratulate the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on an excellent maiden speech. He spoke very graciously about his predecessors. I am sure that he too will be popular among supporters of all parties in his constituency. Indeed, I see some of them publicising him in future: come the next general election in Ealing, Acton and Shepherd's Bush, I expect there will be posters almost everywhere saying, "Slaughter the Labour candidate".

I also congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on his wedding anniversary, and I congratulate my hon. Friend the Member for Cities of London and Westminster (Mr. Field) on managing to avoid the Finance Bill Committee this afternoon. I note that the House is rather thinly attended and that there may still be time for him to return to the Committee later. I am afraid my remarks will be brief and will not prevent that.

I believe that equity release schemes will be an increasingly important part of our system in the United Kingdom. The hon. Member for Twickenham (Dr. Cable) rightly said that although it is an immature market, it is maturing rapidly and gaining in importance. The reason is that, as we all recognise, an increasing number of people are property rich and cash poor; to confirm that I need only look to my own constituency, which is largely very property rich, as illustrated by the fact that a recent report detailing average house prices in towns showed that three of the top 10 were in my constituency of South-West Hertfordshire: Tring, Berkhamsted and Rickmansworth.

This situation has come about largely as a result of recent movements in house prices and the fact that many of the people living in quite valuable properties do not have, and have never had, a particularly high income. They have benefited from the price increases but they are faced with financial difficulties now because, although property rich, they can be cash poor for a number of reasons. We all know the number of elderly people who struggle to pay their council tax. They are on a fixed income, and council tax has more or less doubled since 1997; that is an enormous drawback for a number of people.

There are also problems within our pension schemes. A number of my constituents who were previously employed, were previously within the Dexion pension scheme. Dexion is now insolvent. Many hon. Members will know of constituents who thought they had a secure pension but have found that that is no longer available to them. We are also witnessing the movement away from final salary pension schemes, which is causing great difficulty.

In those circumstances, it is most unfortunate that people who are sitting on a highly valued property are not able to make better use of it, for any of several possible reasons. There is perhaps a generational attitude—a reluctance to borrow any more than necessary, and a tendency, having paid off the mortgage, to regard equity release as a backward step. There is also an entirely natural desire to leave as much value as possible to the children. But there may also be a lack of confidence in pursuing an equity release scheme, and that is to some extent what the Bill seeks to address.

I think it is a legitimate desire for all parties to seek to ensure that equity release schemes that are to people's advantage are available, and to encourage people to enter into them. My hon. Friend the Member for Cities of London and Westminster made a good point when he said that we need to move away from the idea that long-term care must be funded either from the public purse or from individuals' immediate cash savings, and said that if people can allocate resources more efficiently, and equity release enables them to do so, that should be encouraged.

Having said that equity release should be encouraged, I turn my attention to the two types of scheme. Mortgage-based schemes already fall within the scope of the FSA. Pure home reversion plans do not, and clearly one purpose of the Bill is to encourage greater consumer confidence in this area. I think I welcome that, although I speak as someone who, by instinct, is against further regulation wherever possible.

It should also be noted that there will clearly be concerns about the drafting of the statutory instrument and the reform of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, because that is where the detail exists and that is where, effectively, the law changes. As an aside, I speak as someone who used to advise on the Financial Services and Markets Act 2000 fairly regularly. Schedule 2 was always a mystery to those of us advising on the Act because it had little practical purpose. I now appreciate why schedule 2 is there: it ensures that the Act must be amended whenever there is an extension in this area and it gives the House an opportunity to debate it. At a practical level, however, the detail will be in the regulated activities order.

Having mentioned my background of dealing with FSA matters, I should say that there are a number of concerns about the operation of the FSA, some of which have been mentioned by my hon. Friends. There is a feeling that it is too prescriptive, and my hon. Friend the Member for Basingstoke (Mrs. Miller) was absolutely right to say that complying with its requirements is often seen as a box-ticking exercise. I know that the senior management of the FSA increasingly want to look at the broad principles and try to make things less prescriptive. However, it is very difficult to work that through the FSA so that the people dealing with regulated firms appreciate the broad principles, and there is a degree of defensiveness from the FSA, partly because of political pressures. It is easy for hon. Members always to blame the FSA when things go wrong and when our constituents lose money, and sometimes the FSA will be to blame, but the FSA has, I think, become rather risk averse and defensive, and that can stifle innovation, as the Prime Minister rightly said a few days ago.

Another criticism that one could make of the FSA is that there should be a greater distinction between wholesale and retail. Clearly, what we are discussing today is largely a retail matter, and we heard from the Minister of the areas where a fair degree of regulation will be required in respect of the advice to be provided, key features documents, and so on. None the less there are financial arrangements within this home reversion where detailed regulation can be relatively light. For example, I assume that the capital adequacy regime applying to firms in this area will be somewhat light; I see no reason why it needs to be heavy.

A number of hon. Members voiced unease as to the cost of FSA regulation in this area. One criticism that I have read repeatedly in respect of home reversion plans is that firms involved appear to be making a disproportionate profit. Part of that is no doubt due to the extent to which property prices have risen. Another factor is the lack of competition. Anything that increases competition within this area is clearly to be welcomed, but as we heard from my hon. Friend the Member for Basingstoke, there is concern that FSA regulation can prove too much of a barrier to entry. I would urge the FSA and the Treasury not to do anything that increases that. An easy application process would be welcomed and I know that the FSA has moved in that direction in other areas.

I welcome the Bill and I welcome the extension of regulation into this area, but I urge the Treasury and the FSA to remember that it is through greater competition that better services will be provided to those taking out home reversion plans.

1.49 pm

The Chief Secretary to the Treasury (Mr. Des Browne): With the leave of the House, I shall reply to this excellent debate. I wish to say at the outset that it is my intention to make my reply directly proportionate to the length of the debate and inversely proportionate to the desire of the hon. Member for Kettering (Mr. Hollobone)—and his friend the hon. Member for Cities of London and Westminster (Mr. Field)—to be free to celebrate his wedding anniversary, on which I heartily congratulate him. I should also take the time to congratulate the hon. Gentleman's wife on the occasion of their anniversary.

It has been a privilege to be present for the maiden speech of my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), and I am delighted to welcome another lawyer to the House—although I am not sure whether he will get a welcome from any other profession. His speech was described as elegant—and, indeed, it was—and he delivered it with some confidence and humour, which is always very welcome in the House of Commons.

I am grateful to my hon. Friend for reminding me of the contribution that his predecessor Clive Soley made to the House. He was a well-regarded parliamentarian, who among other things made a significant contribution to the Northern Ireland peace process and was well-regarded internationally for his work on conflict resolution. He will be missed. I am sure my hon. Friend will be a more than adequate replacement for him. If his opening remarks and his maiden speech are anything to go by, he will be an adornment to the House, and we look forward to his further contributions.

While we are in the mood for expressing congratulations and good wishes, perhaps you thought that you had slipped under our radar, Mr. Deputy Speaker. I hope that you will forgive me if I wish you a happy birthday today.

Mr. Mark Field: There must have been a misprint in the age.

Mr. Browne: Of course there was a misprint in the age, but not in the date.

I shall now turn to some of the specific issues that have been raised. A number of hon. Members—including the hon. Member for Cities of London and Westminster although this strand of the debate was started by the hon. Member for Sevenoaks (Mr. Fallon), who was a distinguished member of the Treasury Committee—raised an issue that is, of course, dear to all our hearts: the requirement to ensure that we examine the proposals in a way that minimises the regulatory burden and expense. We are well advised to be continually vigilant against unnecessary regulation, and we were reminded of that necessity by the hon. Member for Twickenham (Dr. Cable) and by other contributors to the debate, most recently the hon. Member for South-West Hertfordshire (Mr. Gauke).

I am invited to express my view of the Financial Services Authority, and will do so. The FSA is internationally regarded and respected for its approach to regulation. As with every other regulator, the Government will work with the FSA to ensure that our better regulation agenda continues to underpin its approach, and it is not an error for us at any stage to remind it of those principles. However, irrespective of whatever criticisms we may have about the day-to-day application of regulation or, indeed, about any individual case, we should also remember that London's regulatory environment is regarded as the best among those of the international financial centres. It is ahead of New York and well ahead of Frankfurt and Paris, and it is described as having the potential to remain so until 2008. That assessment comes from a survey by the Centre for the Study of Financial Innovation, published in July 2003.

[Mr. Browne]

On 24 May, my right hon. Friend the Chancellor launched a better regulation action plan designed to boost flexibility and enterprise with the introduction of a risk-based approach to regulation. I have heard nothing in the debate that jars in any way with that approach to regulation. Indeed, such an approach to regulation would gain support from all those hon. Members who have spoken.

Again, irrespective of any criticisms people may have about their experience of the FSA or about individual cases, the FSA is a pioneer of the risk-based approach to regulation and is considered a world leader in this field. But we should not of course forget that we require the FSA by law to meet certain standards. I understand from the contributions made by hon. Members—particularly by Opposition Members, who clearly speak with some experience of financial regulation—that we must share responsibility for the questions that we ask of that regulatory authority.

We require the FSA by law to demonstrate, among other things, that the regulatory burdens are proportionate to the benefits that they provide; to operate economically and efficiently; and to take account of the effects of regulation on international competitiveness, innovation and competition. I am grateful to hon. Members for their reminders of those principles.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): My right hon. Friend mentions better regulation, and a number of business people have contacted me in the past couple of weeks to remark on how seriously the Government have taken that issue.

On the FSA, we previously had 10 separate bodies; we now have one regulatory body. The FSA has done good work in the past few years, but this is a fast-moving market, as my right hon. Friend knows. With equity release schemes and others, new problems arise and we need a flexible response from the FSA and the Government. Will my right hon. Friend keep that in mind as he frames this legislation?

Mr. Browne: I am grateful to my right hon. Friend, who has developed expertise in such issues, is respected for his comments on these matters and chaired with distinction the Treasury Committee during the last Parliament. We will, of course, take seriously anything that he says on such issues, on the basis of his knowledge and experience and of the regard in which he is held.

The very structure of the legislation enables us to do just what my right hon. Friend suggests, and as I shall say later in concluding, there will be opportunities for consultation to ensure that the regulations that emerge meet those standards. As he and other hon. Members know, the Government want to encourage the development of risk-based regulation, and I remind the House that the FSA is considered a leading example of that approach to regulation. We intend to build on that, not to destroy it.

I turn now to the specifics of the regulatory impact assessment, which has exercised a number of hon. Members. The hon. Member for Sevenoaks referred to it in an intervention, and it has been mentioned in more detail by other hon. Members, including the hon. Member for Twickenham. That assessment has arrived at estimates of £11 million for the start-up costs and £5 million annually, and I stand by them. I remind the House that, as we have been constantly told, such regulation has been requested and supported, not only by hon. Members on both sides of the House, but by consumers and, indeed, the industry itself—something that is very important. One of the principal reasons for those requests is that the development of this market, which we all wish to see, depends on confidence and security in the market, and its proper, appropriate and proportionate regulation is necessary to underpin the development of the market itself.

The Government's approach to such regulation follows the better regulation process. We have consulted twice already, as we have been reminded, and we have received an overwhelmingly positive response from the industry. The FSA will consult again on its detailed rules for such products, and I am happy to deal with the inevitable consequences, such as further delay, later in my remarks. The FSA will carry out a further cost-benefit analysis, refining the existing figures further—and, of course, in doing so, it is obliged to ensure that the burden of regulation is proportionate.

I have in my papers a number of quotations from various sources that welcome the Bill, but since there is no dissent in the House, I do not need to persuade anyone that those outside the House want us to proceed with this legislation, so I will not deploy them.

It is the Government's view that, overall, the Bill is likely to lead to a comparatively small increase in FSA expenditure and I shall give figures in a moment so that hon. Members can share my view of proportionality. The additional expenditure will be met by an increase in the fees levied by the FSA under the Financial Services and Markets Act 2000. On the basis of FSA figures on the current cost of mortgage regulation, it is estimated that the one-off cost to firms that sell lifetime mortgages will be between £6,000 and £11,000. That cost would of course be less for firms that were already authorised by the FSA for other businesses. The hon. Member for Twickenham referred to his experiences of trawling the world wide web and indicated how that can be misleading of itself, but I shall return to that matter in a moment or two.

The total one-off compliance cost to the industry for home reversions is estimated to be about £11 million, but it is extremely difficult to gauge ongoing costs in a market that is clearly developing and could expand considerably. However, in the absence of further refinement, which we will ask the FSA to make, the best estimate of the ongoing cost for an expanded provider base is £5.4 million a year. Of course, the market for the Islamic or ijara products is developing, but the immediate cost of regulating that market would be small.

I shall share some figures with the House so that hon. Members can reach a view about the question of proportionality. There are currently about nine providers of home reversions and about 17 members of safe home income plans, or SHIP. The total value of reversionary lending by members of SHIP in 2004 was only £40 million. The number of active home reversion plans on the market at the end of 2004—this again refers to SHIP—was 2,524.

The equity release market is a much more substantial market with 32 providers of lifetime mortgages and 57 other firms specialising in equity release. The value of new lending in the equity release market, which is currently a restricted market for the reasons that we have discussed, was more than £1.2 billion in 2004. The total value of lifetime mortgages outstanding in 2004 was just over £4 billion, and the future capacity for equity release sales annually, which is based on an actuarial calculation of 15 per cent. of the eligible population purchasing such a scheme, is £4 billion by 2031. I have given hon. Members those figures so that they can estimate the cost of the regulation, but they should bear in mind that the cost is proportionate, given that the regulation will instil significant security and confidence in the market.

Dr. Cable: I have just dug some figures out of the Treasury's consultation document. Simply to clarify the point about cost, will the Chief Secretary confirm that the cost of between £6,000 and £11,000 was for the intermediaries, or the advisers? The Treasury's estimate of the cost to reversion providers is something of the order of £500,000.

Mr. Browne: I will of course confirm the figure that the hon. Gentleman has shared with the House, given that its source is a Treasury document. He also cited it during his speech as evidence of a significant cost when he urged the Government to require the FSA to consider the possibility of reducing compliance costs. I remind him that the figures are estimates that are based on the best information available and that the FSA will undertake further work, including a full cost-benefit analysis, when it draws up detailed rules. The authorisation costs will be approved only after a proportionate regime has been set up. In turn, the fees will be tailored to the turnover of the regulated firm, so small firms will clearly pay less. The figure that he cited was based on a firm with a turnover of between £10 million and £100 million and it includes £235,000 of information technology costs. I am not sure whether the IT costs will be a one-off cost, but when I have clarified the position I shall ensure that hon. Members are made aware of it.

The hon. Member for New Forest, East (Dr. Lewis) reminded us during an intervention about the harm that was done by shared appreciation mortgages. I shall try to respond to the question that he asked my hon. Friend the Economic Secretary, although I see that the hon. Member for New Forest, East is no longer in the Chamber. About 15,000 shared appreciation mortgages were sold by Barclays and the Royal Bank of Scotland before they were discontinued in 1998. Few people in 1997 could have foreseen the extent to which house prices have risen. If house prices had risen more slowly, or even fallen, such borrowers would have been receiving loans at an extremely low interest. However, several complaints arose because people—they could properly be described as victims—were caused significant distress by the plans. Interestingly, not one of the allegations of mis-selling that was raised with the financial ombudsman service was upheld. Shared appreciation mortgages are no longer sold. If they are marketed in the future, they will of course be subject to the new FSA regime for lifetime mortgages. The Government have had some success in persuading the industry to help some of the victims of the plans and will be prepared to continue to pursue that.

The hon. Member for Twickenham also dealt with past mistakes because he described how the Government were responding to people's problems with home income plans. Those plans were a form of equity release scheme that provided a regular income to purchasers. There were specific problems in the late 1980s with the version of home income plans called investment bond based schemes. Those schemes used the proceeds of a loan raised on a property to invest in a bond that was designed to provide sufficient returns both to repay the interest on the loan and to provide an income. Unfortunately, the investments failed to provide the returns required and investors found themselves with rising debts to their lenders. The problem has been well recognised and a range of measures has been put in place to help people.

The sale of investment bonds was regulated under the Financial Services Act 1986 and regulators effectively banned home income plan schemes involving such bonds in the early 1990s. Investors were able to claim against their advisers, who were required to return the capital invested. That led to several independent financial advisers being declared in default by the investors compensation scheme—the forerunner of the financial services compensation scheme—which then paid any necessary compensation.

About £70 million has been paid to some 4,500 HIP investors either directly by advisers or, if they have gone out business, by the investors compensation scheme. Of course I recognise that under the 1986 Act compensation was able to address only funds put into an investment bond and that unfortunately a number of people used some of the sums raised for other purposes. As a result, many were left with a residual debt to their lenders after the payment of compensation allowed under the 1986 Act. The Government believe that residual debt is a matter for the lenders, but fortunately most lenders have offered a package of measures to HIP investors to address the problem. The Government hope that all lenders will continue to take as generous and sympathetic an approach to residual debt as possible. As the hon. Member for Twickenham will be aware, there is no leverage for the Government to ensure that that should be done, but the industry has an obligation to respond appropriately in those circumstances.

The hon. Gentleman asked about buy-to-let regulations and the activities of property investment clubs. The Government are aware of concerns about the activities of such clubs operating in the buy-to-let market. Concerns focus on the fact that schemes may be operating as collective investment schemes, which are of course FSA-regulated. It is my understanding that the FSA is looking carefully at the activity of those schemes and no doubt its advice to Ministers will be forthcoming in due course.

The hon. Gentleman asked about facilitating Islamic home finance, with reference to the effect of stamp duty. The Government's policy is overtly to tax Islamic financial products on a level playing field with conventional equivalents where it is practicable to do so. The hon. Gentleman probably has more experience of Finance Bills than anyone in the House, so he will know that the Finance Act 2003 removed a major barrier to

[Mr. Browne]

the marketability of Islamic home finance products by introducing reliefs to prevent multiple charges to stamp duty when using the murabaha or ijara products. The Budget of 2005 announced that those reliefs were to be extended to include a newly available Islamic home finance product based on shared equity, and amended to ensure that ijara products—the product of choice in the marketplace—could be used in Scotland, so effective regulation will be of considerable importance. I hope that that responds to the issue raised by the hon. Gentleman.

The hon. Gentleman referred to the FSA review of the sale of equity releases, arguing that it showed that regulation of those products is less effective than it could be. On 24 May, the FSA published the results of a review of its regulation of the sale of equity release schemes, which in fact showed that the regulation of those products was working quite effectively. It showed that targeting regulatory action can significantly improve customer protection and demonstrated the benefit of regulation—by acting promptly in the market, the FSA can help to raise selling standards to ensure that consumers do not buy unsuitable products.

The FSA carried out the mystery shopper exercise, to which the hon. Gentleman referred, to ascertain the standard of advice being provided to consumers purchasing regulated equity release products. Four visits were made and three desk-based reviews were carried out between January and early May 2005, looking mainly at advice given during June 2004. As a result of what was revealed by that exercise and through its other experience, the FSA is committed to ensuring that firms improve their standards in that field. It may reassure the hon. Gentleman to know that the FSA will revisit the firms it reviewed to ensure that they have acted on the issues identified during that exercise. The FSA will also review standards in other firms active in that market.

The hon. Member for Cities of London and Westminster recognised yet another birthday for the House, in that we are coming up to the first anniversary of FSA mortgage regulation. The FSA assumed responsibility for the regulation of first charge residential mortgages on 31 October 2004, and regulation has undoubtedly benefited millions of consumers by providing safeguards and minimum standards of mortgage advice. Indeed, Anne Gunther, the chair of the Council of Mortgage Lenders, recently stated, in the CML annual report 2004, that statutory regulation was implemented remarkably smoothly, and that it was a credit to all concerned.

A review of that activity is appropriate and timely, and the FSA is committed to commence a review of the existing mortgage regime by the end of 2005. Before conducting a review, it is important to allow the regime to bed down so that it is the experience of the process that is reviewed rather than its introduction. I trust that that will reassure the hon. Gentleman that the FSA has that issue in mind.

The hon. Member for Twickenham asked me to ensure that a requirement for independent legal advice was built into the regulation and that request received some support—albeit not overwhelming—from the official Opposition. The Government's view is that determination of the detail of the rules is a matter for the FSA. There will be rules about the advice to be given, but at this stage I can give the hon. Gentleman no comfort that the FSA will require all persons who are considering taking out such products to be given independent legal advice.

I shall explain why the whole process has taken so long. I point out to the hon. Member for Kettering that although I am not a long-standing Member of the House it is clear to me after only eight years that the greater the all-party support for anything, the greater the scrutiny it deserves and the greater should be our care in introducing it. If we all think that we are doing the right thing, we have to be careful not to end up inadvertently collectively doing the wrong thing.

Why has this matter taken so long? I have some sympathy with the hon. Gentleman's apparent frustration at the pace of change in our legislative process. Many Members will more than welcome him as a new member of the modernising tendency that is emerging in this place. He will find many allies and I am sure that as they read the *Official Report* of our debates they will single him out for attention and recruit him to their ranks. However, the tenor of the debate—the weight of the contributions from Members who reminded us how burdensome regulation can be—answers his question. The Government's view is that we are prepared to regulate only where there is a clear need. We have to establish the costs and benefits of regulation before proceeding. The hon. Gentleman was entirely correct in his history of the process and of how we reached this position.

Two consultations were carried out before the Bill was introduced. Why? Because the products are complex and it is important to get the regulations right. Equally, it is imperative that people with a direct interest in the regulation of the products—be they providers, consumers or other interested parties—support the direction of travel of the regulations.

That is what the Government have achieved. It may have taken time, but the regulatory regime will be in existence for a considerable period. People who discover that they have contracted before the regulatory regime comes into force are at a disadvantage. As the hon. Gentleman and other hon. Members have observed, the imminence of the regulatory regime may have a depressive effect on the market. That is not necessarily a bad thing, as people who contract in future, in what we all hope will be an expanding market, will have the benefit of the protection afforded by regulation.

The hon. Gentleman asked when will regulation come into force. The best answer that I can give him from the Dispatch Box is that we will introduce it with appropriate haste. We will move to make regulation effective as quickly as we possibly can, subject to the timetable for secondary legislation and further consultation. As secondary legislation is required, we cannot assume that the House will agree to regulation—the matter lies in the hands of the hon. Gentleman and other hon. Members.

I was asked what protection is available for consumers before regulation comes into force. The FSA already publishes advice for consumers who are interested in buying home reversions. The "FSA Factsheet: Raising money from your home" was

published in May 2005, and hon. Members and their constituents can access it through the FSA website. If they cannot do so but would like a copy, they can contact the Treasury. If hon. Members, including the hon. Member for Basingstoke (Mrs. Miller) and the hon. Member for Forest of Dean (Mr. Harper), whose contribution and support I welcome, have examples of misleading advertising they should tell me, and I will endeavour to indict or prevent advertising that may mislead their constituents and others. The majority of equity release schemes, namely lifetime mortgages, are already regulated. After the Bill has been examined in detail in Committee—and I welcome the willingness of the hon. Member for Cities of London and Westminster to undertake such examination—we will be able to regulate the rest of those schemes.

In conclusion, the Bill will extend the boundaries of FSA regulation to include home reversion plans and ijara home finance arrangements, thus helping people to make informed choices. It will offer valuable consumer protection and it will ensure that there is a level playing field in the equity release market, most of which, I remind the House, falls within the scope of mortgage regulation. It will introduce detailed provisions to extend valuable protection to elderly and vulnerable consumers when making one of the most important decisions that they are likely to make. It will ensure that Muslim consumers can access all parts of the growing market in sharia-compliant home finance products while benefiting from the protection afforded by FSA regulation. It will help people to make informed choices about home finances products that they purchase. It will create a level regulatory playing field within the equity release market, and it will help to improve consumer confidence in those products, thus facilitating the significant market growth that we all want.

For all those reasons, I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

REGULATION OF FINANCIAL SERVICES (LAND TRANSACTIONS) BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Regulation of Financial Services (Land Transactions) Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 7th July 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other Proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Watts.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I will put motions 3 to 6 together

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Children and Young Persons

That the draft Restriction on the Preparation of Adoption Reports Regulations 2005, which were laid before this House on 2nd March, in the last Session of Parliament, be approved.

That the draft Suitability of Adopters Regulations 2005, which were laid before this House on 2nd March, in the last Session of Parliament, be approved.

Criminal Law

That the draft Remand in Custody (Effect of Concurrent and Consecutive Sentences of Imprisonment) Rules 2005, which were laid before this House on 28th February, in the last Session of Parliament, be approved.

Companies

That the draft Community Interest Company Regulations 2005, which were laid before this House on 17th March, in the last Session of Parliament, be approved.—*[Mr. Watts.]*

Question agreed to.

Care Homes (Caerphilly)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

2.23 pm

Mr. Wayne David (Caerphilly) (Lab): I would like to draw to the attention of the House a situation that should never arise in a civilised society. I refer to a catalogue of events in a private nursing home, Holly House, in Fleur-de-Lis in Caerphilly county borough. Holly House is a 35-bed purpose-built nursing home registered to Puretruce Healthcare Ltd. It is owned by Dr. Das, who owns a number of homes across south Wales but who, unfortunately, does not have a good reputation. The home is registered for dementia care.

My concern about Holly House began early last year, when I heard rumours in the constituency about what was happening at the care home. However, my concerns became more real when I received an e-mail from the daughter of one of my constituents whose father had stayed at the home. She explained to me that, on one occasion, the family had visited her father only to find him in the car park of the house, wandering by himself. That was in a supposedly secure home. On another occasion, she informed me that she went to see her father and he was nowhere to be found. Eventually, he was discovered asleep in a laundry cupboard. Even more worryingly, she told me that, such was the low level of care at the home, that, on one occasion, her father had, in her words,

"had his privates grabbed by another patient and as a consequence he had lashed out".

I then discovered to my horror that these incidents were not isolated. In August 2004, Caerphilly county borough council prepared a report for a multi-agency meeting that set out the range and extent of the complaints and concerns of all the agencies involved. The report stated that on 26 September 2003 a resident suffering from diabetes was taken into hospital as an emergency. The hospital reported concerns about the physical state of the resident when that person was admitted to hospital. That individual died on 11 December. There was a subsequent police investigation, but it resulted in no criminal proceedings being taken. Caerphilly local health board later investigated further but was unable to take further action.

The report indicated that, on 30 October 2003, a resident placed in the home by Rhondda Cynon Taf borough council was seen by an inspector from the Care Standards Inspectorate for Wales with bruising to her face. That individual had had a number of falls. Subsequent investigation found that the resident was prone to falls but the home had not undertaken a proper risk assessment, nor was a documented care plan appropriately drawn up.

On 19 November 2003, it was recorded that there had been an anonymous call from a member of staff at Holly House reporting that another staff member physically restrained and struck a resident. That resulted in the suspension of the staff member and a police investigation. No action was taken because the complainant refused to provide a witness statement and a further witness retracted a verbal statement. The patient subsequently died but there was no evidence of a suspicious death.

The same report stated that, on 16 December 2003, concerns were expressed by Caerphilly district miners hospital following the admission of a resident suffering from hypothermia. The resident returned to the home when a nurse assessor and care manager assessed that appropriate care could be provided by the home. Finally, I refer to an incident on 11 May 2004, when a patient was found on the floor of a lounge during an unannounced inspection by the Care Standards Inspectorate for Wales. There was no risk assessment in place for that individual, who was admitted to hospital for a proper assessment.

The examples that I have quoted, sadly, are just some of many examples that could have been cited. At the same meeting, an inspector from the Care Standards Inspectorate for Wales reported that numerous notices had been issued against the care home over a long period, but 90 per cent. of those notices had not been satisfactorily addressed by the home's owners.

As a result of all those concerns, on 2 August last year, the Care Standards Inspectorate for Wales decided to cancel the registration of the home—in other words, to call for its closure. The agencies involved formally agreed that the evidence was such that patients at the home were subjected to institutional abuse. However, in line with the law, despite the withdrawal of the registration and the designation of institutional abuse at the home, it did not close. Instead, Dr. Das appealed against the decision. Then, incredibly, in the face of overwhelming professional evidence, the Care Standards Tribunal upheld the appeal of Dr. Das by the "smallest of margins". Dr. Das was to be given yet another chance and Holly House was to remain open.

I understand that the Care Standards Inspectorate for Wales is asking for the Care Standards Tribunal to reconsider the case. I hope that common sense will prevail and the home will close, or at least have a different owner.

How is it that the tribunal came to its decision? The short answer is that Dr. Das is very good at playing the system. He wilfully allows care standards to be broken and then, at the last moment, to prevent action from being taken against him, he introduces the smallest possible changes to allow him to continue. When the spotlight is off him, the situation again deteriorates. That is what happened in this case.

Between the Care Standards Inspectorate for Wales issuing the cancellation of registration and the tribunal hearing, Dr. Das introduced a small number of changes at Holly House that enabled him to scrape through the tribunal hearing and continue in business. There can be little doubt that, unless action is taken, it is only a matter of time before conditions again worsen.

The situation is unacceptable. It highlights a number of weaknesses in the regulations which govern the way in which the Care Standards Tribunal operates. I would like the Government to consider a number of changes in the regulations that cover England and Wales. First, a tribunal should be obliged to examine the full background to a case, rather than simply the events immediately preceding the withdrawal of a licence. If that had happened in this case, the tribunal could have seen that Dr. Das has a long history of sharp practice and duplicity in this and other care homes. Moreover, it is likely that the failure to comply with the statutory

regulations applies not only in this home, but in its predecessor in Bedwellty. That nursing home was replaced by this one in 2001. It is also worth noting that, since its formation under the Care Standards Act 2000, the Care Standards Inspectorate for Wales has taken action of this kind against only five care homes in Wales. It does not take this action lightly. Two of those five care homes have been owned by Dr. Das. That is the first area in which the Government need to give careful consideration to the relevant regulations.

Secondly, the regulations should be changed so that a tribunal considers only what has happened prior to the cancellation of registration, not what the appellant has done in the run-up to the appeal. The determination should be based on whether the CSIW acted correctly, not on whether the so-called improvements are sufficient to make the situation better in future. Importantly, when a registration is cancelled, it should come into immediate effect. It is wrong that someone can continue to operate a care home after all the professional agencies have concluded that there has been institutional abuse there. The home should have been closed immediately and then the appeal could have taken place.

I welcome the announcement in the Queen's Speech of a Bill to create a commissioner for older people in Wales. I am glad that part of his or her brief will be to review the adequacy and effectiveness of laws and regulations as they relate to older people in Wales. That is a huge step forward. Will the Government also consider Care Standards Tribunal regulations for England and Wales and liaise with the National Assembly on this issue as appropriate?

The owner of this care home has a long record of running care homes in an unacceptable way. The case of Holly House is a total disgrace. Some of the most vulnerable and frail people in our society have been subjected to a truly appalling degree of abuse and lack of care. That nursing home should be closed, and the elderly people should be looked after elsewhere with the care and compassion that they deserve. We must also ensure that what happened at Holly House never happens again.

2.35 pm

Kevin Brennan (Cardiff, West) (Lab): I congratulate my hon. Friend the Member for Caerphilly (Mr. David) on securing this debate, which involves an extremely serious issue that is understandably a cause of great concern for his constituents. I also congratulate him on his speech, in which he outlined what has happened in a particular care home in his constituency. Notwithstanding the fact that part of my reply will concern technical matters, he is right to display his indignation and passion about what has happened to older people in that care home. Following devolution, the case is, of course, primarily a matter for the National Assembly for Wales, but I pay tribute to my hon. Friend for the assiduous way in which he has served the interests of his constituents by drawing the matter to the attention of the Government and of the House.

Taking good care of our older people is particularly important in Wales, where we have a higher concentration of older people than the rest of the UK. Around 20 per cent. of the population in Wales is aged over 60, which is higher than the percentage of over-60s in the UK population as a whole. Over the next 20 years, demographic changes will significantly alter the balance of the population. The number of people over 60 in Wales will increase to 28 per cent. of the population, and the number of people over 85 will increase by more than a third. That relates to the issues that my hon. Friend has raised today—in particular, care homes that look after people with dementia.

People are progressively living longer and more healthy lives, which means that they will require more care, support and services at key points and that those services must become more personalised and integrated. The National Assembly has delegated full operational responsibility for regulatory actions and decisions regarding care homes to the Care Standards Inspectorate for Wales, and decisions taken by the CSIW are in line with standards set by the National Assembly. At a UK level, the Government have enabled the introduction of those standards, which are enforced by the CSIW in Wales and by the Commission for Social Care Inspection in England, through the Care Standards Act 2000 and the Health and Social Care (Community Health and Standards) Act 2003. The aim of those standards is to raise the quality of care and the level of protection for vulnerable people.

I agree with my hon. Friend that few things are more despicable than the treatment of older people that he described in his speech. Older people have often worked hard all their lives, and they need care and support in their later years. My hon. Friend tacitly indicated that the vast majority of care homes provide a good service, but the influence of a few bad eggs in the system extends beyond the direct suffering that he has described by spreading apprehension among older people and their families about using a residential care home. I am sure that he agrees that it is important to note the good work that is done in many of those homes. I am satisfied that the system is robust enough to deal with the abuses that he has described today.

In respect of the case to which my hon. Friend refers, concerns had been expressed and there had been high levels of inspection by the CSIW stemming from those concerns over a period of time. The CSIW issued a notice of decision to cancel registration when it was decided that the registered provider had failed to make any significant improvements. The company involved, Puretruce Healthcare Ltd., appealed against the decision and, although the care standards tribunal upheld its appeal, it also stated that the CSIW was entirely justified in making its original decision to withdraw registration.

My hon. Friend asked how it is possible that a decision can be made on the basis of the current situation in the home rather the situation that pertained prior to the registration being withdrawn. The position is that under previous legislation—the Registered Homes Act 1984—the tribunal would take a decision based on the situation in the setting at the time that the regulatory authority took its decision. However, under the Care Standards Act 2000, the care standards tribunal considers whether the decision taken by the regulatory authority was correct at the time, as it agreed that it was in this case, and then takes a decision on the basis of the current situation.

[Kevin Brennan]

I understand my hon. Friend's concern about that approach, but its intention is clear—it is based on the fact that the sudden closure of a care home, even one where standards have not been adhered to in the past, can have a very disruptive impact on vulnerable older people. I understand that there are no plans to change the existing regulations and legislation in the way that my hon. Friend has requested, but I assure him that his words will be noted and considered very carefully by Ministers following this debate.

Although the National Assembly sought a review of the Care Standards Tribunal outcome, I have to inform the House that this week the tribunal turned down that request. It did, however, set stringent requirements for the care home to demonstrate that it will meet the required targets in future. Every two months, the provider has to supply the CSIW with a report from an independent consultant in health and social care services stating that the home is making progress against set targets and meeting the necessary requirements. The tribunal report also stated that this was most likely to be the home's last chance to put its house in order.

In this instance, the Government's and the National Assembly's regulatory framework for care has been brought into action. Following rigorous inspections of a failing home, action was taken which is now being enforced. I know that that is not what my hon. Friend wants, but it is very different from the days when such homes were left unchecked and were able to continue to place residents at risk by providing inadequate care.

Any neglect or abuse of older members of our society, be it physical, mental or even financial, is an outrage. In addition to improving regulation and inspection services, there is an undeniable need for robust policies to help and protect older members of our population. With that in mind, I am happy to say that this month the Commissioner for Older People (Wales) Bill was introduced in the other place, and received its second reading on 14 June.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): I am listening with interest, because I share the council area with my hon. Friend the Member for Caerphilly (Mr. David). I think the Minister is saying that, although the regulations have been drafted and applied with good intentions, they contain a loophole that is being exploited in the way described by my hon. Friend the Member for Caerphilly. If the regulations are not to be changed, can the issue be raised during debate on the Bill?

Kevin Brennan: I am about to describe ways in which the Bill may be of interest to both my hon. Friends as a vehicle to pursue complaints.

The proposed commissioner for older people will play an important role in ensuring that throughout the many relevant devolved services older people's interests and rights are taken into account. The commissioner's role will in general be to ensure that the interests of older people in Wales are safeguarded and promoted, as well as influencing policy and service delivery across devolved fields. The commissioner will also have an important part to play in implementing the National Assembly's agenda of tackling age discrimination wherever it occurs, promoting positive images of ageing and giving older people a stronger voice in society.

Under the Bill, the National Assembly can make regulations giving the commissioner power to help an older person to make a complaint. It could be to the Assembly, to a regulated service provider in Wales, or to bodies such as local authorities, health boards and trusts. Depending on the circumstances, the commissioner might also offer financial support to help the person meet the costs of pursuing the complaint. In practical terms, that means that the commissioner could help older people to make complaints about the service that they were receiving in care homes in Wales, such as the one referred to by my hon. Friend. The commissioner could help in the making of representations to the CSIW, as well as helping the person to make the complaint.

Mrs. Madeleine Moon (Bridgend) (Lab): Having worked as a care standards inspector, and having been responsible for the investigation and consideration of a number of complaints including "protection of vulnerable adults" investigations of abuse in care homes, I fear that this is a circular route. People who already consult the inspectorate make very serious complaints, such as the one that was investigated at the care home cited by my hon. Friend the Member for Caerphilly (Mr. David). It may then be acknowledged that the investigation has found that abuse took place, that standards in the home have fallen well below those specified in regulation, and that the performance of staff has been unsatisfactory. Yet a care home that has been given enough rope to hang itself—that has been given several opportunities to improve—can be told at the tribunal that at the last possible opportunity it has improved, and can continue. How will the new opportunity to complain to the commissioner be of benefit unless the commissioner can overrule that final clause?

Kevin Brennan: I understand my hon. Friend's point, but I do not think that it would be appropriate for the commissioner to have power to overrule the decision of an independent tribunal, just as it would not be appropriate for Ministers to have power to overrule the decision of an independent tribunal. The role of the commissioner in respect of complaints, as requested by the Assembly and as envisaged in the Bill, is more an enabling role. However, my hon. Friend has made an important point about the cut-off point at which the standards in a home should be considered, and I am sure that it will be listened to, although I must reiterate that there are no current plans to change the regulations.

I should like to illustrate further what the older persons' commissioner can do. It is not intended that the commissioner will duplicate existing complaints procedures as set down in statute, or that they will be able to review or overturn the outcome of a complaint. The Bill provides the commissioner with powers to review and monitor, in regard to advocacy arrangements, complaints arrangements and whistleblowing arrangements. Any person can make advocacy arrangements, but complaints and whistleblowing arrangements must be made by either the Assembly, a regulated service provider in Wales, or bodies such as local authorities, health boards and trusts. The Bill also provides the commissioner with powers to review the discharge of functions of certain bodies, including local authorities.

If we once again consider those powers in relation to my hon. Friend's case, and cases like it, we see that the commissioner could assist an older person placed in a failing care home in Wales by reviewing the functions of the local authority that placed them in that care home, and by looking at the complaints procedures of both the local authority and of the care home in question. More generally, I know that my hon. Friend is aware of the many initiatives being taken UK-wide and by the Assembly to help older people, and I shall not go through them again this afternoon. I know that he is fully aware of the many measures that have been introduced.

In conclusion, I believe that the Government's commitment to older people in Wales is clear. We have substantially increased the level of provision for older people during this Government's tenure, and we now look forward to introducing the important piece of legislation that will create an older persons' commissioner for Wales. The Bill has been touted as the world's first such legislation; it is certainly Europe's first. As regards the care home in Caerphilly to which my hon. Friend referred, I thank him again for bringing this issue to my attention. It is the responsibility of the Assembly, but I want to reassure him that Wales Office Ministers will gladly receive any further representation on the matter that he may care to make. I note his powerful warning about what he thinks might happen in that care home, and I can tell him with confidence that, if there are any further problems of the kind that he has predicted, my right hon. and hon. Friends in the Wales Office will be ready to hear his representations in the confidence that he will be the first to draw them to their attention.

Question put and agreed to.

Adjourned accordingly at seven minutes to Three o'clock.

House of Commons

Monday 27 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Female Genital Mutilation

1. **Ann Clwyd** (Cynon Valley) (Lab): How many prosecutions have been secured under the Female Genital Mutilation Act 2003. [6852]

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): There have been no prosecutions under the 2003 Act, nor were there under the 1985 Act, which it replaced. But the success of the legislation cannot be measured only by the number of prosecutions. Prosecution after the fact does not relieve the victim of a lifetime of pain and discomfort. We want to prevent female genital mutilation from happening in the first place. The 2003 Act, with its maximum penalty, up from five to 14 years imprisonment, is designed to deter this unacceptable practice.

Ann Clwyd: I wish that I could be as optimistic as my hon. Friend. When I introduced the legislation, I expected some prosecutions to follow. Acts that have been in force for 20 years without any prosecutions mean that 7,000 young girls in this country are estimated to be at risk of being taken abroad for those procedures. Somebody is not taking that seriously and I would like to know who.

Fiona Mactaggart: If I gave the impression that I was satisfied or complacent, that was not what I intended. I agree with my right hon. Friend that it is important to use prosecution as a tool under the Act. That is why specific guidance on the Act has been issued to chief police officers, chief Crown prosecutors and other criminal justice agencies as well as health and social services professionals, and why the Association of Chief Police Officers issued guidance—including guidance specifically about female genital mutilation—to its members in 2005 on child abuse. However, we must be honest. To have an investigation and a prosecution, we need reporting. I urge anyone who is aware of any cases to report them to the police so that they can investigate them and prosecution can follow.

Angela Watkinson (Upminster) (Con): One of the problems in tackling the barbaric practice is the collusion of older women in the cultural groups concerned. It is not unusual for a grandmother to arrange for it to be done to a child in the absence of the mother from the home. What opportunities exist for educating the older women in those cultural groups?

Fiona Mactaggart: The hon. Lady is absolutely right about that issue. That is one of the reasons why we have worked with voluntary organisations. They are in a better position than statutory organisations to communicate with women in the communities where young girls are most at risk of that act of abuse. We have funded FORWARD—the Foundation for Women's Health, Research and Development—and ACCM, which is the Agency for Culture, Change and Management, this year for awareness-raising as well as research projects, which are precisely targeted at the sort of audience that the hon. Lady suggests.

Chris McCafferty (Calder Valley) (Lab): While recognising the great deal of work that the Home Office and the Department of Health have done to raise awareness of the issue in the United Kingdom, what discussions has the Under-Secretary held with home countries, given that the main thrust of the legislation that my right hon. Friend the Member for Cynon Valley (Ann Clwyd) introduced was making the provisions on female genital mutilation extra territorial to prevent families from taking their children back to home countries to have female genital mutilation performed upon them?

Fiona Mactaggart: My hon. Friend is right that one of the innovations in the legislation that I did not mention was that it made it an offence to export children to conduct the operation on them overseas. We support work in many other countries, especially Africa, that is aimed at eradicating female genital mutilation there. As part of that, we provide not only adequate health care for girls and women who are affected, but information and advice about the UK legislation to try to reduce the practice and prevent and deter people from exporting children for mutilation overseas.

Antisocial Behaviour

2. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What steps he is taking to tackle antisocial behaviour in Preseli Pembrokeshire. [6853]

The Minister for Policing, Security and Community Safety (Hazel Blears): Like all local authorities, Pembrokeshire council has an antisocial behaviour co-ordinator. The co-ordinator and the community safety team have a close working relationship with Dyfed Powys police to tackle local problems of antisocial behaviour. As at February this year, 11 antisocial behaviour orders and seven acceptable behaviour contracts had been issued, mainly in response to alcohol-related problems.

Mr. Crabb: I thank the Minister for her reply. Will she join me in congratulating our team of police community support officers in Pembrokeshire on the excellent start that they have made in their new role? Will she also recognise, however, that due to the fact that those teams of officers are not on duty after 10 o'clock at night, and

are not deployed to deal with confrontational incidents, they cannot provide the answer to alcohol-related crime? What we need in Pembrokeshire is more police officers with full powers of arrest out on the streets at weekends to tackle the 52 per cent. increase in violent crime that has occurred over the past 12 months.

Hazel Blears: I am sure that the hon. Gentleman will recognise that his police force, like police forces right across the country, has had a significant increase in investment over the past few years. We now have 13,000 extra police officers on our streets. We have never said that police community support officers could provide the complete answer, but I am delighted that he feels that the work that those officers are doing in his constituency is making a real difference and providing reassurance on the streets. We will have dedicated, visible police teams—including CSOs—right across England and Wales over the next couple of years.

New Prisons

3. **Colin Burgon** (Elmet) (Lab): Which (a) public bodies and (b) elected representatives are consulted before investigations of possible sites for new prisons are undertaken. [6854]

The Secretary of State for the Home Department (Mr. Charles Clarke): The National Offender Management Service works with local planning authorities, such as local authorities, and may also consult a number of other public bodies, including the Office of the Deputy Prime Minister and other Government Departments, English Partnerships, Government offices for the regions, and the Welsh Development Agency. Any Member in whose constituency we are planning to build a new prison will be kept up to date on developments by my Department.

Colin Burgon: I thank the Home Secretary for that reply. To many of us, the operations of the Prison Service are somewhat clandestine, and I certainly look forward to that exhaustive list of public bodies and individuals being consulted in the future. Would it not be better, however, if that engagement with those public bodies were started before the process, so that we could deliver a co-operative solution to the problem? I seek an assurance on this issue from the Home Secretary because the Conservatives have an absolutely barmy programme involving massive prison building—

Mr. Speaker: Order. That has nothing to do with the Home Secretary.

Mr. Clarke: First, may I congratulate my hon. Friend on the way in which he has taken up the issue of the development of the prison estate in his constituency and in the Leeds area in general? Secondly, I can give him the assurance that he seeks. We are going through a detailed discussion about the best future for the national prison estate, which will include where we need to be in the future. A lot of decisions need to be taken about the best location of prisons vis-à-vis their local communities, and about how to ensure that prisons are designed and built in a way that will encourage the prevention of reoffending, rather than simply being places of incarceration. We are going about this in a very serious way, and we will consult widely on it.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Given that nearly three out of four prisoners suffer from two or more mental health disorders, that an average of 40 prisoners assessed as requiring secure health care are waiting three or more months for admission to secure hospital facilities, and that—to the Government's shame—the Prison Reform Trust has confirmed that prisoners are twice as likely to be refused treatment for mental health problems inside prison than outside, what priority will the Secretary of State give to discussions with mental health trusts and the Department of Health when considering new prison sites?

Mr. Clarke: The answer is a very high priority indeed. I have already had consultations with the mental health trust in my own locality on precisely this point. We have also begun bilateral discussions with the Secretary of State for Health to address this issue. The point that the hon. Lady has made is correct: this does stand as an issue, and I argue strongly that, as a Government committed to improving education and health, we need to focus very hard on the least educated and least healthy people in our communities, who are the people in the criminal justice system, and, in regard to the least healthy aspects of the issue, the mental health aspect is particularly important, along with drugs.

Jon Trickett (Hemsworth) (Lab): Is my right hon. Friend aware of developments in the United States, where large-scale, private-sector-led prisons are leading to the development of a gang culture and to increased recidivism? Will he give the House an assurance that, before the UK Government embark on such a policy, they will hold a full public debate on penal policy, and particularly on the possibility of so-called jumbo prisons being developed, which could lead to the kind of gang culture and recidivism that we see in the States?

Mr. Clarke: I am aware of the developments that my hon. Friend is describing, and I can give him an assurance that, before going down that route, we will discuss the situation very widely. However, the question of large prisons should not be confused with the question of privately run prisons. Many privately run prisons offer an excellent service in this regard. My hon. Friend raises an interesting and important question about size, and it will be important to address that when we consider the future of the prison estate.

Mr. Mark Oaten (Winchester) (LD): But is not the Home Secretary embarrassed by the Labour Government's record on prisons? We now have the highest prison population in Europe, a reconviction rate of 59 per cent., 12 prisoners committed suicide this month alone, overcrowding in our prison cells is commonplace, and 17 per cent. of drug tests in prison are positive. What on earth has gone wrong with prisons under his Government, and what will he do to put it right?

Mr. Clarke: I do not accept that description at all. The hon. Gentleman needs to put those considerations side by side with the significant reductions in crime that have

taken place. As I have said, however, we need to focus on stopping reoffending by ensuring that we can get proper sentences. I am happy to work with him on that.

Restorative Justice

4. **Norman Lamb** (North Norfolk) (LD): If he will make a statement on his Department's policy on restorative justice. [6855]

The Minister for Immigration, Citizenship and Nationality (Mr. Tony McNulty): The Government strongly support the use of restorative justice, because of its proven benefits to victims and communities affected by crime. Our restorative justice strategy was first published in July 2003. In March this year, we published guidance to all local criminal justice boards encouraging them to develop restorative justice in their area, as part of their service to victims.

Norman Lamb: May I thank the Minister for that encouraging response? May I raise a case in my constituency of a shop owner whose window was smashed? The perpetrator ended up receiving a caution, and the police told the shop owner to recover the cost of the damage from his insurance company. Surely some way of requiring the offender to pay for the cost of the damage, as part of the caution arrangement, would have been much better.

Mr. McNulty: There could have been a prosecution and subsequently a compensation order in the normal way. Through the strategy, however, we are trying to ensure that where there is evidence that restorative justice works well, it is implemented. We are also trying to build up the evidentiary base through research to prove that restorative justice is applicable in such cases.

Damian Green (Ashford) (Con): Restorative justice is one of those concepts that I am sure that many Members, on both sides of the House, will hope is effective. Does the Minister have any evidence that it works?

Mr. McNulty: There is clear evidence that the hon. Gentleman does not listen to the answers given. I have just said that one of the key elements of the strategy is to build up and develop an evidence base on best practice to ensure high standards of delivery and effectiveness. As and when that happens, a programme will be rolled out. In terms of international comparisons, all the evidence thus far suggests that it works. Of course, we need to build up the evidentiary base. If that is his bid for leadership, I suggest that he does not bother.

Mr. Edward Garnier (Harborough) (Con): As the Minister knows or ought to know, far too many people go into prison not being able to read and write, and far too many come out of prison not being able to read and write. What is he doing about that as far as restorative justice is concerned?

Mr. McNulty: As and when, perhaps at subsequent Question Times, the hon. and learned Gentleman comes up with a question that refers to restorative justice rather than penal policy, I will answer it.

Volunteering

5. **Jim Dobbin** (Heywood and Middleton) (Lab/Co-op): If he will make a statement on levels of volunteering. [6856]

7. **Ms Diana R. Johnson** (Kingston upon Hull, North) (Lab): If he will make a statement on levels of volunteering. [6859]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): The most recent Home Office citizenship survey showed that just under 20 million people regularly volunteered in their communities in England in 2003. That is up from around 18.4 million in 2001.

Jim Dobbin: Many volunteers work in community centres, bowling clubs and youth clubs at the heart of the community. Does the Minister agree that it is a struggle for Government, and local government, to provide good-quality services to local communities? Will he encourage local government to continue that financing, because when budgets need to be corrected, the voluntary sector is often first in line for cuts?

Paul Goggins: May I begin my answer by offering you, Mr. Speaker, and the House an apology for having provided some incorrect information during a debate in Westminster Hall, on Thursday afternoon, on volunteering? I indicated that 17.5 million people regularly volunteered in their communities—it was a good debate, but none of us can claim the credit for having increased those numbers by 2.5 million over the weekend. Following the debate on Thursday, I had some further work done, and the figure is 20 million, not 17.5 million.

The estimated value of voluntary effort in this country is some £45 billion, but money could not buy the imagination, commitment and dedication of volunteers. My hon. Friend is right: any sensible local authority will invest in the voluntary and community sector, and in volunteering. Volunteers help to find practical solutions to problems, and help people to engage with issues in their communities.

Ms Johnson: When trying to increase volunteer participation, will the Minister take account of the experience of the Humberside police force, which has the fastest-growing special constable scheme in the country? It is using a bounty of £1,500 per annum, payable to special constables, and Hull residents are given a 50 per cent. council tax reduction. Will the Minister comment on that?

Paul Goggins: I am very interested in that information. I will consider it carefully, although I know that my right hon. Friend the Home Secretary is already aware of the details of the scheme.

There are 12,500 special constables in the country, and they add significantly to community safety. We have 10,000 volunteers working with offenders, both in prisons and in the community. All those people add value to our public services in a relevant and practical way.

Alistair Burt (North-East Bedfordshire) (Con): Does the Minister not find himself in a slightly awkward position? While he and his Department encourage people to volunteer, his colleagues in other Departments place barriers in the way of volunteers. I am thinking particularly of those in village halls and sports clubs who are concerned about the new duties that they will have under the Licensing Act 2003, and those who are collecting money for multiple sclerosis centres and therapy centres. They are having to use the money that they raise on the streets to pay for a 300 per cent. increase in inspection charges. How does the Minister intend to encourage people to volunteer when other people in Government are making life difficult for them? Whatever happened to joined-up thinking?

Paul Goggins: There is a strong commitment across Government to volunteering. I am sure that the hon. Gentleman is well aware of that. I can tell him that Volunteering England is currently involved in a project to develop opportunities for people to volunteer in rural areas.

I agree that some groups in society find obstacles and barriers in their way. I am thinking especially of older people who want to volunteer, and of young and disabled people. I assure the hon. Gentleman and the House that we will continue to break down these barriers, so that such people can also contribute to their local communities.

Bob Russell (Colchester) (LD): Can the Minister define a volunteer? If there are really 20 million, that suggests that every other adult in the country is a volunteer; yet we constantly hear and read about youth organisations that are desperate for leaders. What is the Government's definition of a volunteer?

Paul Goggins: The 20 million figure relates to people in England who, at least once a month, engage in voluntary activity—unpaid—in their communities. Sometimes it takes place with a formal group, sometimes it is informal. The hon. Gentleman is right, however: we should celebrate the fact that so many men and women, including young people, engage in such voluntary activity.

Helen Goodman (Bishop Auckland) (Lab): I congratulate the Minister on the large increase in the number of volunteers. As he knows, one problem for the voluntary and community sector is the high cost of insurance. During the last Parliament, a working group looked at insurance and the voluntary sector. What progress will be made in the current Parliament?

Paul Goggins: My hon. Friend is right to identify the issue as one on which the last Parliament focused. We are continuing to focus on it. Volunteering England and the Association of British Insurers are working to ensure that risk can be faced and that policies are affordable, and we are making it clear in the Compensation Bill that when people take reasonable care, they should not be liable for untoward incidents.

Identity Cards

6. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What cost-benefit analysis of the identity card scheme has been undertaken. [6858]

14. **Lynne Jones** (Birmingham, Selly Oak) (Lab): What cost-benefit analysis he has undertaken of the Government's scheme for the introduction of identity cards. [6866]

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): A strategic outline case for the identity card scheme produced in November 2003 confirmed that the benefits of the scheme outweighed the costs. There are benefits to public services, the private sector and individual citizens. More details will be provided on Second Reading tomorrow.

David Taylor: The alleged benefits of identity cards are minimal in fighting benefit fraud and terrorism, non-existent in fighting illegal immigration and identity theft, and negative in tackling crime. Moreover, the associated estimated costs are spiralling to levels that could fund 400 affordable homes in every constituency, or finance for six months every general practitioner, teacher and nurse. Given those points, does the Minister believe that the Prime Minister was right, at his second party conference as our leader, to reject identity cards as a total non-starter?

Andy Burnham: I am grateful to my hon. Friend for his helpful question. Neither the Prime Minister nor I have ever said that ID cards are a panacea for all the ills that society faces, but I hope that my hon. Friend accepts that the good running of society depends on the secure identification of individuals. Millions of transactions occur every day, and the old methods, involving passport photos and signatures, are no longer good enough to rely on because they are not sufficiently robust. Giving every citizen the opportunity to secure their personal data through the use of a fingerprint or eye scan will provide better protection from fraud, and give them more peace of mind.

Lynne Jones: What changes to the unpublished 2003 analysis have been made as a result of the Government's recent decision to move to three separate biometrics systems instead of two—as was originally planned—once they realised the high failure rate of separate biometrics? Will the Government also ensure that before tomorrow's debate, I receive replies to my six written questions—they are a week overdue—and to my five other questions, which have been outstanding for four days?

Andy Burnham: I do not accept my hon. Friend's point about the high failure rate of biometric systems. The fingerprinting of visa applicants is already taking place and is helping the immigration authorities to tackle illegal immigration. Such systems are already in use throughout the world and I do not accept that they have a high failure rate. As my hon. Friend will know, we published in the regulatory impact assessment a figure for running costs of £584 million a year. We stand by that figure, much of which is taken up by the cost of

rolling out the biometric passport system. In respect of the questions that my hon. Friend has tabled on this issue, I am sure that we owe her the courtesy of a reply in time for tomorrow's debate.

Mr. David Ruffley (Bury St. Edmunds) (Con): Reports at the weekend stated, incredibly, that Home Office Ministers might be considering giving EDS, the computer company responsible for the tax credit shambles, a role in introducing the ID card scheme. Will the Minister tell us today whether the Home Office is actually considering giving this company that important job?

Andy Burnham: As the hon. Gentleman will know, the Bill in question will be before Parliament tomorrow. For the scheme to proceed, we must first have the legislative basis, and decisions will be taken about procurement at that stage. To say now that a particular company has preferred status would be ridiculous speculation.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Is it true that the estimated cost of ID cards rose from £85 to £93 because the Home Secretary forgot to add VAT?

Andy Burnham: No, it is not. The cost went up because the sensible step was taken to build in a higher contingency, which will ensure that the scheme can be rolled out in such a way as to deliver what we want. I should point out to the hon. Gentleman that the figure before the House—a unit cost of £93—is not for an ID card alone but for a biometric passport as well. He, his constituents and I will want to have such a passport; indeed, they will have to have one in order to travel in future. That is a sensible cost for the two documents together.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Does my hon. Friend agree that if ID cards are to be fully effective, they will have to be compulsory? Does he also agree that if, as I suspect, this legislation is the first step towards compulsory ID cards, all costs should be met from general taxation?

Andy Burnham: My personal view is that the scheme will realise its full benefits to society when the entire population is covered. But as my hon. Friend knows, the Bill before the House tomorrow makes it clear that it is for this House and the other place to decide whether—if ever—participation in the scheme should be a compulsory requirement for every citizen of this country.

Dr. Vincent Cable (Twickenham) (LD): Will the Under-Secretary confirm that, today, he received an independent report from the London School of Economics that concluded that the ID card proposals were too complex, technically unsafe, over-prescriptive, lacked a foundation of public trust and confidence and would cost between £12 billion and £19 billion? Why should we disbelieve an independent expert study of that kind?

Andy Burnham: We have received the report. The hon. Gentleman used the word "independent" and, as a former spin doctor myself, I am highly impressed by the way in which the contents of the report have been assiduously leaked over the past few weeks. We neither recognise nor accept the figures published in the report. The figures that we have put before the House take into account the current running costs of the UK Passport Service and the need to roll out the biometric capturing equipment that will be required for this country to move towards a biometric passport. Others must judge when they see the LSE report in its full glory, but we simply do not recognise many of its assumptions and costs.

Andrew Mackinlay (Thurrock) (Lab): Will the Under-Secretary confirm that residents of the Irish Republic who commute into Northern Ireland, or by aeroplane to London, cannot and will not be required to have either an ID card or a passport? If so, surely that drives a coach and horses through the Bill unless or until Dail Eireann decides to introduce identical legislation. I asked this at Second Reading and was brushed off. Will he try not to do that this afternoon?

Andy Burnham: We are introducing a UK-wide scheme and, at this stage, there is no expectation that people would have to have an ID card to travel into Northern Ireland from the Republic of Ireland. He asked whether such people would need a passport, but that is an issue about immigration controls at that border. I can tell my hon. Friend that the Irish Republic is also looking at biometric systems of identification and it would be sensible if the two systems were closely aligned.

David Davis (Haltemprice and Howden) (Con): May I bring the Under-Secretary back to the question from the Liberal Democrat spokesman, the hon. Member for Twickenham (Dr. Cable)? Why should the House believe the estimates of the Home Office, which has a dreadful record on cost overruns and waste on IT projects, against not one but two independent reports, both of which say that the cost will be more than £15 billion?

Andy Burnham: I read the right hon. Gentleman's article in *The Mail on Sunday* yesterday, in which he confirmed his opposition in principle to ID cards, following his comments on antisocial behaviour orders. If he fails in his leadership bid, the right hon. Gentleman will be well placed for a role at Liberty. I do not accept that the Home Office has a dreadful record. The UK Passport Service is one of the most efficient operations in this country. It currently holds a database of accurate records on more than 44 million people and issues passports quickly and effectively. I do not accept the right hon. Gentleman's premise that the Home Office, and the Government in general, cannot run a scheme of this kind; in fact, we are doing it every day.

David Davis: It is no surprise that the Under-Secretary did not answer my question, but I am glad that he referred to passports. He ought to read the Public Accounts Committee report on the passports disaster. It is very good. I should know; I wrote it. In assessing the benefits of the ID card scheme, has he calculated the alternative ways of achieving the same aims; more police, stronger border controls, tighter controls of welfare benefits and more resources to the security services? Has he assessed the costs of those, and has it come to more or less than £15 billion?

Andy Burnham: I am glad that the right hon. Gentleman wrote that report. As an expert on the UK Passport Service, he will know that it is now performing extremely well and that its problems were not IT ones. On his specific question about whether we have considered other systems, he presents it as an either/or situation; as though we have to have one or the other. We are saying that it is responsible in terms of the country's security to do the two together. It is this Government who have put the police on the streets, not the Government of whom he was a member. It is this Government who have taken steps to improve our borders through the e-borders programme and it is this Government who will complement all those measures with a national identity card scheme.

Community Support Officers

8. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What plans he has for increasing the number of community support officers. [6860]

The Minister for Policing, Security and Community Safety (Hazel Blears): As set out in our booklet, "Neighbourhood Policing: your police; your community; our commitment", we will provide funding to support an increase in the number of community support officers, to a total of 24,000 by 2008. That investment will ensure that every area in England and Wales will have access to a dedicated, accessible and visible neighbourhood policing team by that date.

Mr. Bailey: After some initial scepticism, the West Midlands police now recognise that police community support officers play a valuable role in the community. However, some people are demanding that PCSOs should be given more powers, including powers of arrest. What assessment has been made of the viability of such requests?

Hazel Blears: I am delighted that my hon. Friend supports CSOs, and he will know that the West Midlands police force now has 223 out on patrol, spending some 90 per cent. of their time on the streets reassuring the public. We have had an interim evaluation of community support officers and we are awaiting a full evaluation report, which should be available towards the end of the year. There have been demands for CSOs to have a range of powers to ensure that they can tackle low-level antisocial behaviour of the sort that makes people's lives a misery. From my visits up and down the country, I know that CSOs are making a good and effective contribution, and I am sure that all right hon. and hon. Members will agree with that.

Mr. Andrew Mackay (Bracknell) (Con): May I disagree with the Minister? Not all of us believe that CSOs are the answer. What is really needed is more police on the beat. Will she satisfy the House that CSOs will be properly trained and will not be given responsibilities that they cannot adequately fulfil?

Hazel Blears: I am surprised that there is clearly more division than I had thought among the Opposition. After all, the hon. Member for Preseli Pembrokeshire (Mr. Crabb) was glad to welcome CSOs and the contribution that they make. The right hon. Gentleman will know that we now have 13,000 more police officers. When his Government were in power, we had 1,100 fewer police officers on our streets. We have also made significant extra investment.

The right hon. Gentleman makes an important point about the training of CSOs. We have now developed a national training programme, worked on by Centrex, for forces to take advantage of. I want to ensure that as CSOs form a real, fundamental part of our police teams for the long-term future, they are appropriately trained and resourced. In that way, they can continue to make the excellent contribution that they are making.

Huw Irranca-Davies (Ogmore) (Lab): Does my right hon. Friend welcome the more than 180 CSOs now working in the south Wales division, in addition to the nearly 300 police officers and more than 20 specials? Does she agree that neighbourhood wardens also play an important role in providing eyes and ears on the ground?

Hazel Blears: Yes, I certainly do agree. I was delighted to have the opportunity to visit my hon. Friend's constituency a couple of months ago to see the excellent work being done to tackle antisocial behaviour in his community. His CSOs are some of the 6,300 who are now patrolling across England and Wales. He is right to say that wardens are important and we are holding discussions with the Office of the Deputy Prime Minister to ensure that our police teams include police officers, CSOs, special constables, volunteers and wardens.

Mr. Jonathan Djanogly (Huntingdon) (Con): As the number of CSOs has grown, so have their powers. For instance, in this year's Serious Organised Crime and Police Act 2005, stop-and-search powers were introduced. Do the Government share the concerns of the Police Federation and others that there is growing confusion in the public's mind between CSOs and police officers? Have not they now become policing on the cheap?

Hazel Blears: I do not accept that. In fact, I have had some excellent and constructive discussions with the representatives of the Police Federation who have recently done some research with their members. They found that their members welcome community support officers where they are the eyes and ears of the police and tackle low-level antisocial behaviour. There will be an ongoing debate about the appropriate powers that CSOs should have, but I am delighted that the federation is now genuinely considering the contribution that they can make. If the hon. Gentleman goes out with his local police force, I can assure him that they would tell him that they do not know how they managed before they had CSOs. Most police officers see them as making an excellent contribution to their work.

John Smith (Vale of Glamorgan) (Lab): Will my right hon. Friend join me in congratulating community support officer Rhiannon Harris on her excellent work in setting up a business crime reduction partnership in my constituency, with the help of volunteers from the business community such as David Sharpe of Tesco in Barry? What help can my right hon. Friend give her to

ensure that the partnership gets off the ground and succeeds, so that we can get more community support officers, such as Rhiannon Harris, who do such an excellent job?

Hazel Blears: I am delighted to join my hon. Friend in congratulating Rhiannon Harris on her excellent work—and he has raised an important point about business crime. In the past there was almost a sense that business crime did not really have victims, and so was not very important. I believe that business crime is extremely important; that is why we have spent nearly £1 million on setting up a network of business crime advisers working with local businesses. I am delighted that many local retailers are now giving their staff time off to train as special constables, and in those areas shoplifting has fallen by nearly 40 per cent. Businesses working with community support officers and with the police can make a real difference.

Antisocial Behaviour Orders

9. **Mr. Nicholas Soames** (Mid-Sussex) (Con): What assessment he has made of the use of antisocial behaviour orders. [6861]

15. **Mr. Tim Boswell** (Daventry) (Con): What recent assessment he has made of the use of antisocial behaviour orders. [6867]

The Secretary of State for the Home Department (Mr. Charles Clarke): From the summer we will be conducting an evaluation of ASBOs. This evaluation will provide us with information on the extent to which and the circumstances in which ASBOs are effective in tackling antisocial behaviour, and how they work as part of wider strategies to tackle antisocial behaviour. Published findings from that work will be available in 2006, and will enable us to maximise the impact of future ASBOs.

Mr. Soames: I am sure that the House will look forward with anticipation to the information being made available, but given the pretty high level of breaches of ASBOs, does the Home Secretary not agree that although they are useful, it must be for the police to deal with such matters in an energetic and robust manner, and that in order for them to do that, we need more police, particularly in Mid-Sussex?

Mr. Clarke: Of course, and that is why we have increased the number of police in every part of the country—*[Interruption.]* That has been the case. That is also why we have reinforced the police with police community support officers, and why, as my right hon. Friend the Minister for Policing, Security and Community Safety described, people work in police teams, with neighbourhood wardens and so on. The key question that the hon. Gentleman—and indeed, the whole House—has to address is: do we believe that ASBOs make an important contribution to reducing antisocial behaviour? The Government unequivocally say yes, and can point to many examples throughout the country. All kinds of diverse answers come from Opposition Members, and they should make up their minds where they stand.

Mr. Boswell: Is the Home Secretary not concerned that the number of ASBOs served on adults is now being overtaken by the number currently being served on children? I am ready to concede that some of those children may be right little perishers, but will he bear in mind the fact that apparently, some of the children on whom ASBOs have been served are suffering from attention deficit or other behavioural disorders? Will he therefore think seriously about the absence of criminal intent, and the possible danger that public authorities may be breaching the spirit of anti-discrimination legislation?

Mr. Clarke: With respect to the hon. Gentleman, I must point out that even little perishers—however charmingly we may choose to describe them—ought not to be disrupting and making miserable the lives of others. Let us remember that the purpose of an antisocial behaviour order is simply to say, "You should not commit antisocial behaviour." It puts no penalty in place, and there is no prison sentence; it just says, "Stop behaving antisocially." If the young little perishers of whom the hon. Gentleman is so tolerant are going round making the lives of individuals on the estate where they live a misery, in my opinion it is right that there is a legal vehicle for saying, "Stop doing that"—and that applies irrespective of age.

Mr. John Denham (Southampton, Itchen) (Lab): What is my right hon. Friend doing to promote the greater use of ASBOs on conviction? If we look at any local newspaper, we see reports of many cases of minor violence and other minor crimes that attract a short prison sentence, community service or a suspended sentence, for which an ASBO could be imposed on conviction, restricting where people go and keeping them out of the areas where they have been harassing people. Will my right hon. Friend consider ways in which the courts and the police can be encouraged to make more use of that power, which is already on the statute book?

Mr. Clarke: The Government are doing precisely that and I agree with the thrust of what my right hon. Friend said. I come back to the answer that I gave Opposition Members a few moments ago: the central motivation in all this is to stop antisocial behaviour. My right hon. Friend is right to say that certain individuals, perhaps those just convicted of particular offences, are especially likely to engage in antisocial behaviour. It is important that we say to those people that they cannot do so. We are looking in detail at how we can improve our performance in that area and my right hon. Friend is right to draw attention to it.

Mr. Lindsay Hoyle (Chorley) (Lab): Obviously, the biggest advantage of ASBOs is when they have been served on people in court and the press is allowed to publish their names and the conditions of those orders. Local people can then be more aware of whether the conditions are being broken and can call the police when they are. When the details of ASBOs are kept back from the press, local people do not know whether the conditions have been broken. Will my right hon. Friend ensure that the public are made aware of the people on whom ASBOs have been served?

Mr. Clarke: My hon. Friend is quite correct and the Government take precisely the stance that he implies. I would not say that publicity is the biggest advantage of ASBOs, but it is certainly a major one, and my hon. Friend is right to point it out. In a number of cases, publicity surrounding the conduct of people who are behaving in antisocial ways has significantly changed their behaviour.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I suspect that the Home Secretary will find, in reflecting on a review of the workings of ASBO legislation this summer, that there is a huge amount of inconsistency of approach. In north Wales, for example, there are very few ASBOs, but the system is working well because bad behaviour is dealt with lower down the rungs before people are brought to court. On the other hand, some areas have rushed to impose ASBOs when other legislation would do. Will the Home Secretary speculate on how a properly directed tribunal could ever slap an ASBO on a youngster for swearing when he suffers from Tourette syndrome?

Mr. Clarke: I would certainly not want to speculate on an individual case. However, there is a major difference in the outcomes of particular localities, which is dependent on the attitude of local police and the local authority. What is most important is for the local police and the local authority to work together to put in place a regime to attack antisocial behaviour. To be quite candid, there is no universal position across the country by any stretch of the imagination; there is not even a universal position between parties in the House. Some members of some political parties in the House and in local authorities do not want to get engaged in this sort of work, while others do. I hope that our assessment will reveal the variations that the hon. Gentleman described and enable us better to implement what needs to be done.

Margaret Moran (Luton, South) (Lab): When will my right hon. Friend take action against councils that refuse to use antisocial behaviour orders—councils such as Liberal-Tory Luton, which has persistently failed to do so? The council voted against using the ASBOs that we introduced and has continued to fail people in the area such my constituent, Lisa Welsh, and her neighbours, who have lived in fear for years and have had to flee their homes. What sanctions can the Home Secretary bring against authorities that refuse to take up antisocial behaviour measures that benefit our constituents?

Mr. Clarke: My hon. Friend puts her finger precisely on the point that I was making in response to the previous question. I wish I could say that Luton provides only an isolated example, but unfortunately it does not. A number of authorities run by parties other than Labour play the role that my hon. Friend describes. We are looking into whether some form of trigger mechanism would be appropriate to deal with the problem. To be quite frank, though, I am loth to go that far, because I still hope that all authorities and all parties across the country will operate positively against antisocial behaviour. I hope that the electors in Luton will make their own judgment of what the council is doing and act accordingly.

Lincolnshire Police Authority

10. **Mark Simmonds** (Boston and Skegness) (Con): If he will make a statement on the funding of Lincolnshire police authority. [6862]

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): Lincolnshire police authority is receiving £63.4 million in general grant funding this year—an increase of £2.8 million or 4.51 per cent. over 2004–05. That is substantially above police pay increases of about 3 per cent. and non-pay inflation of about 2.6 per cent. It is also well above the minimum floor increase of 3.75 per cent., which is guaranteed for all police authorities.

Mark Simmonds: In the financial year 2003–04, the Lincolnshire police force was the only one in England and Wales to have its funding per head cut. In the current financial year, there have been further financial reductions. Lincolnshire now has the lowest spending per 1,000 of population of all police authorities. It has a pension deficit of £3.5 million in this financial year, resulting in more than £2.5 million of reserves being used. If further cuts are required, there will be reductions in police staff, taking officers off the beat. Will the Minister ensure that Lincolnshire police authority's funding is looked at? Will he ensure that the people of Lincolnshire get their fair share of funding? Will he ensure that all rural police authorities receive appropriate funding, which they do not get at the moment?

Andy Burnham: I heard what the hon. Gentleman had to say, but the truth is that there has been substantial investment in community policing. In addition to what I described a moment ago, Lincolnshire has received £8.5 million in specific grants and capital provision in recent times, which accounts, I think, for some of the revenue increases about which the hon. Gentleman was talking. The settlement has provided good funding for the force this year. There are pressures on the force to do with a particular operation being mounted at present, and it is in contact with my right hon. Friend the Minister for Policing, Security and Community Safety to see whether some help can be given on that. On the whole, however, the 77 community support officers that the hon. Gentleman's force now has and the overall level of investment represent a good deal for Lincolnshire.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will the Minister consider the fact that in rural areas such as Lincolnshire the special constabulary has a very important role to play? Would it be sensible to embark on a vigorous policy of paying people to join and serve in the special constabulary? After all, we do that for retained firefighters and for the Territorial Army, so why not for policemen?

Andy Burnham: The right hon. and learned Gentleman makes a valid point, but in the course of the past year the number of specials employed across the country has increased by 1,000. In general, as he will know, the Government have taken steps to respond to the need of rural police forces through the rural policing fund. Overall, the package is right, even if we have to

respond to some particular pressures that the force faces at this juncture. We are listening to concerns and I put it back to the right hon. and learned Gentleman, and to the hon. Member for Boston and Skegness (Mark Simmonds), that questions have to be asked about how the force got itself into the position it is in with both the local authority precept and the prudent management of resources.

Stop and Account Form

11. **Greg Clark** (Tunbridge Wells) (Con): What assessment he has made of the impact of the new stop and account form for police officers since its introduction; and if he will make a statement. [6863]

The Minister for Immigration, Citizenship and Nationality (Mr. Tony McNulty): The requirement to record stops, as per recommendation 61 of the Stephen Lawrence inquiry report, was implemented by all police forces across England and Wales on 1 April 2005. We have asked that the process by which the police deliver that level of accountability should continue to be monitored so that if there are any ways to increase efficiency, such as through the use of IT, they are acted upon.

Greg Clark: Is the Minister aware that it takes four minutes to fill in one of those forms, which means that it takes 20 minutes if a police officer is to stop a group of, say, five people? Does he agree that that 20 minutes is time away from policing the street, and is that not a great disincentive to the sort of active community policing that our constituencies need?

Mr. McNulty: No, I am afraid that I do not. Part of the route to community policing lies precisely through the sort of intelligence gathering, accountability and other forms of activity that are exemplified in the stop and account process. The hon. Gentleman cannot have one without the other; they are all of a piece with community policing.

Steve McCabe (Birmingham, Hall Green) (Lab): While my hon. Friend is collating the monitoring of the record on stops, will he take into account how much time is saved by speedily settling complaints made against the police, often maliciously, because of the very fact that the police can produce a record that demonstrates their reasons for a stop? Is not that a good way to save police time and unnecessary attacks on good police officers?

Mr. McNulty: My hon. Friend is entirely right. We have to view all aspects of the impact of stop and account forms on policing. My earlier point about IT is equally important: one of the pilots in the North Wales force has meant that almost 70 per cent. of stops were carried out in under three minutes, notwithstanding the time saved in the way that my hon. Friend suggests.

Lynne Featherstone (Hornsey and Wood Green) (LD): Have the Government any plans to introduce religious self-definition alongside self-definition of race in regard to recommendation 61?

Mr. McNulty: It is certainly a matter that we have already considered. The hon. Lady will know that it is sensitive and that we keep it constantly under review. As I said in my initial response, there has been nationwide implementation only since April, although some forces implemented it before that—indeed, in Kent it was in place by February. The system has been in place for about three months and we shall constantly take stock. The hon. Lady will understand that these are controversial and sensitive matters.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Is not the Minister worried that increasing bureaucracy and political correctness are inhibiting police officers from dealing effectively with some worrying offences, whether vandalism, property destruction or even violence at a local or individual level? Is he not even more worried that that is beginning to affect public confidence in the police? If we cannot restore proper effectiveness to our police at local and ground level, that loss of confidence will, sadly, continue.

Mr. McNulty: The right hon. Gentleman based his question on about four premises, all of which are in one way or another flawed. The whole purpose of the project is to reinvigorate the faith and confidence of communities in our police forces. It is being done in a way that minimises bureaucracy. It might be a nice cheap *Daily Mail* headline to talk about police political correctness, but it is not a fact and the right hon. Gentleman should be ashamed of his simplicity.

Cannabis

16. **John Robertson** (Glasgow, North-West) (Lab): What recent research he has evaluated on possible links between cannabis use and psychotic illness among young people. [6868]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): My right hon. Friend the Home Secretary has asked the Advisory Council on the Misuse of Drugs to conduct a comprehensive review of the links and associations between taking cannabis and developing mental health problems. The advisory council has been specifically asked to assess whether the emerging evidence changes its overall assessment. We expect its recommendation by the end of the year.

John Robertson: I thank my hon. Friend for his answer. Is he aware of the evidence shown in the BBC "Panorama" programme on that subject? Will his investigations look into the effect of cannabis on young people, in particular psychotic attacks, and if it is proven that cannabis is causing the problems that eminent professors say it does, will my hon. Friend reclassify it?

Paul Goggins: I know that my hon. Friend has strongly held views on the issue, and I can assure him that the Advisory Council on the Misuse of Drugs will be looking into all the available evidence. He referred to the "Panorama" programme, which included information about a study undertaken by Professor Hurd. I am sure that the council will look carefully at

that, as the Home Secretary has asked it to do, and will give him their recommendations before the end of the year.

Mr. Mark Francois (Rayleigh) (Con): As someone who watched the programme, I stress to the Minister that it produced powerful evidence about the effects of cannabis, especially on teenagers, due to the chemical development that is still going on in their brains. Will the Minister take that fact fully into account and accept that the evidence is becoming stronger and stronger that the Government's decision to declassify cannabis to class C was a mistake and should be reversed?

Paul Goggins: The advisory council was careful in its recommendations to the Home Secretary. It accepted that in a few cases cannabis can produce a psychotic state, which can be the start of long-term psychotic illness, and unquestionably, for those who have an existing mental health problem, cannabis can have a very negative impact indeed. However, I point out to the hon. Gentleman and to my hon. Friend the Member for Glasgow, North-West (John Robertson) that the course of action taken by my right hon. Friend the Home Secretary was entirely right—to seek the independent advice of the advisory council. Once we have received it, we shall make decisions in due course.

Community Support Officers

17. **Mr. Bob Blizzard** (Waveney) (Lab): How many community support officers he expects to be based in Suffolk. [6869]

The Minister for Immigration, Citizenship and Nationality (Mr. Tony McNulty): At the end of March, there were 6,300 community support officers in England and Wales, 34 of whom were based in Suffolk. We will provide funding to support an increase in their number, to a total of 24,000 CSOs in 2008. Later in the year, following discussions with the Association of Chief Police Officers and the Association of Police Authorities, we will announce what funding will be allocated to each police authority, and I am sure that Suffolk will take full advantage of that investment opportunity.

Mr. Blizzard: I thank my hon. Friend for that answer. The community support officers that we already have in my constituency are greatly valued by those in the community, which looks forward to having some more. Our local newspaper—the *Lowestoft Journal*—publishes a report of every crime that is committed in the town each week and it shows that burglary and car theft are decreasing dramatically, but that much of the remaining crime is criminal damage, often committed by quite young people. Will my hon. Friend say something about how CSOs can work with schools to target some of those young people who are responsible for a great deal of the criminal damage?

Mr. McNulty: One of the most encouraging developments as we have implemented the establishment of CSOs has been the imagination and innovation shown across a range of different forces about how to utilise them. I shall be encouraged if Suffolk goes down the road of getting CSOs, working with the wider Suffolk police force, to get that awareness of antisocial behaviour, criminal damage and other elements right into schools, where it belongs.

Alcohol-related Crime

18. **Mr. Andrew Love** (Edmonton) (Lab/Co-op): What powers are available to (a) the police and (b) local authorities to tackle alcohol-related crime and disorder. [6870]

The Minister for Policing, Security and Community Safety (Hazel Blears): A wide range of legislation is in place to help partners to tackle that problem. The Violent Crime Reduction Bill introduces further powers by enabling local authorities and the police to create alcohol disorder zones for targeted action and by introducing a new drinking banning order, on-the-spot 48-hour exclusions and a power for the police to impose 48-hour closures on pubs, clubs and off-licences that persistently sell to under-age drinkers.

Mr. Love: I thank the Minister for that reply and congratulate her on those moves to deal with the issue. As in many communities throughout the country, it is a major problem in the town centres in my constituency and is leading to a great deal of public concern. Will she ensure that those measures are fully implemented and that police forces and local authorities are doing everything that they can to bring this problem under control?

Hazel Blears: I know that my hon. Friend has been particularly active, together with his local authority and his police force, in tackling those issues. Two areas of his constituency are now controlled alcohol zones, where drink cannot be taken on to the street. There are joint enforcement visits between the police and the council, and joint tasking is going on as well. I am happy to congratulate my hon. Friend on his involvement, but he is right to suggest that more needs to be done to ensure that decent people can enjoy a good night out in his town centre on Friday and Saturday nights, without facing the kind of disorder that we see all too often.

Zimbabwe (Removals)

3.32 pm

The Secretary of State for the Home Department (Mr. Charles Clarke): With permission, I should like to make a statement on the return of failed asylum seekers to Zimbabwe.

Like all issues of removals, policy in this area is inevitably difficult and sensitive. On 16 November last year, the then Minister for Citizenship, *Immigration* and Nationality—now the Chief Secretary to the Treasury, my right hon. Friend the Member for Kilmarnock and Loudoun (Mr. Browne)—announced the lifting of the temporary suspension of enforced removals of failed asylum seekers to Zimbabwe. The effect of that announcement was to make the process of removals to Zimbabwe the same as for every other country in the world.

In short, the Home Office assesses cases on their individual merits, providing protection to those who need it and seeking to remove those who do not. Thus Zimbabweans who meet the definition of a refugee under the 1951 Geneva convention are granted asylum. If they do not qualify for asylum on that basis, but there are other circumstances that make them particularly vulnerable and engage our obligations under the European convention on human rights, they are granted humanitarian protection or discretionary leave. If their application is refused, they have a right of appeal to the independent asylum and immigration tribunal. If the appeal is unsuccessful, it has been judged safe for that particular individual to return to Zimbabwe.

As the Minister for Immigration, Citizenship and Nationality made clear on Friday, we keep the country situation, together with any new information, under review, and we will continue to do so. While that examination continues, it is the position of the Foreign Secretary and me that there are not sufficient grounds to reverse last November's decision. As before, it is clear that there are Zimbabweans in need of international protection. In particular, members of the opposition in Zimbabwe or others who establish that they have engaged in activities that will cause them to be persecuted by the Zimbabwean Government will continue to be granted asylum.

In the 15 months to March this year, we granted asylum or discretionary leave at initial decision to 270 Zimbabweans, with no substantiated reports of mistreatment on return, but not all Zimbabweans who claim asylum in this country genuinely face persecution. It is an important part of ensuring an effective and fair asylum system that those found not to be in need of international protection are removed from the UK. The blanket suspension of all removals to any country can only encourage those who seek to get around our controls for reasons nothing whatsoever to do with their political activity or fear of persecution.

That is why, in my opinion, we are right to look at each case on its merits. We will examine with great care each individual case before removal and we will not remove anyone who we believe is at risk on their return. As part of this, we will remain in close contact with civil society and opposition parties in Zimbabwe. My hon. Friend the Member for Vauxhall (Kate Hoey) has sent us representations about a number of cases and I have asked my officials to examine those carefully, and of course we will consider other representations about other individuals.

There are a number of Zimbabweans currently in our removal estate. As of this morning, 57 were declining to accept their meals in an effort to press their case for non-return. Conditions around their health and well-being are being carefully monitored and managed.

Our policy on returns does not in any way change our categorical opposition to human rights abuses in Zimbabwe. There is no doubt that political persecution, abuses of human rights and denial of basic freedom persist in Zimbabwe, and we will continue to provide asylum to those Zimbabweans who need our protection. We will also continue bilaterally and with our international partners to push the Government of Zimbabwe to end human rights abuses and to restore democracy, so that all Zimbabweans can, in time, return safely to help build a prosperous and stable country.

David Davis (Haltemprice and Howden) (Con): I thank the Home Secretary for his statement.

The Government's entire policy towards Zimbabwe is a miserable failure. We would not be facing the issue that is before us today if they had shown a clearer lead in the past, put greater pressure on Governments such as that of Thabo Mbeki in South Africa and forced the issue on the agenda at the UN Security Council in New York.

In 2002, the Prime Minister promised to

"show no tolerance of Mugabe and his henchmen."

Since then, Mugabe's repression has become worse. He has now rigged three elections, sent tens of thousands of people to an unwitnessed death in the rural areas of Zimbabwe and waged a brutal campaign of demolition and destruction, displacing hundreds of thousands of people from their homes. Words are no longer enough. We have a duty to act on behalf of the oppressed people of Zimbabwe. The Government are failing in that duty. Instead of action, we have confusion.

Not for the first time, the Home Office and the Foreign Office are at odds with each other. Last time, it was over the way in which Home Office officials were granting visas to immigrants from Romania, despite warnings from the Foreign Office about the migration scams that they were involved in, leading to massive increases in migration on an improper scale. This time it is even worse—the lives of innocent men and women may be at stake.

As the Foreign Secretary was busy telling his G8 counterparts that Mugabe's violent crackdown was a serious international concern, the Home Office was insisting that it was safe to send detainees back into the hands of the regime. According to a senior Foreign Office source quoted in this morning's newspapers,

"the deportations are down to the Home Office and they must explain why they think it is safe to send anyone who has defied Mugabe back".

I have no doubt that these are difficult decisions, but can the Home Secretary answer that senior Foreign Office official and explain how he is sure that it is safe to send anyone back? The Home Secretary said in his statement that he would not remove anyone who was at risk on their return. Can he therefore confirm that Home

[David Davis]

Office officials lost a tape recording sent to the electoral organiser of the Movement for Democratic Change, Mr. Kulinji, which suggested that he would be tortured if he were returned to Zimbabwe, but having lost the tape then continued with his deportation process until it was suspended this week? How does the Home Secretary make that correspond with what he said earlier?

The Foreign Secretary has today denied any rift with the Home Office despite recent press reports suggesting that he had tried to stop the planned deportations. Can the Home Secretary categorically confirm that the Foreign Office has not tried to intervene to stop his policy of returning people to the Mugabe regime? The right hon. Gentleman referred in his statement to the Government's categorical opposition to human rights abuses in Zimbabwe. Will he go further and agree with the Opposition that we are witnessing crimes against humanity on a massive scale? If so, will he tell the House whether he took advice from the Foreign Office before ending the moratorium on deportations to Zimbabwe last November? Did it recommend ending the moratorium: yes or no? If not, what was the Home Office's basis for the change?

We have often heard from the Government that a moratorium was being abused by people pretending to come from Zimbabwe, and I think that the Home Secretary repeated that today. How many cases were there of that abuse?

It seems to many people that the change in policy was based not on evidence, but on a need to look tough when the Government's asylum policy was being called into question. People are rightly concerned about their failure to get a grip on the immigration and asylum system. They are trying hard to act tough, but there are still 250,000 failed asylum seekers living in the United Kingdom. The number of deportations is falling and it could take more than 20 years to clear the backlog that the Government have built up.

We need a long-term coherent strategy to sort out the chaos rather than a series of headline-chasing gimmicks. *[Interruption.]* Yes, and I look forward to debating that fully with the Home Secretary in the weeks ahead. Today, however, he has to answer for the latest display of chaos and incompetence in Whitehall—a display that may see men and women returned to a country that is patently unsafe. As he admitted in his statement, it is a country where "political persecution, abuses of human rights and denial of basic freedom persist" while countless failed asylum seekers from other countries are allowed to remain here.

A system that the Government once promised to make firmer, fairer and faster has descended into one that is shambolic and shameful. In the past, the shambles have cost the Government time and the taxpayer money. Today, we have to hope that it does not end up costing innocent people their lives.

Mr. Clarke: Let me deal with the non-rhetorical points, of which there were few. The right hon. Gentleman is, of course, right to say that what is needed is action. That is precisely why the G8 Foreign Ministers discussed that in detail and why a series of international initiatives are proposed to address it. I do not know whether he wants to go back to the days of just sending troops out to Zimbabwe and dealing with it in that way—or, short of that, what form of action he proposes—but the only form of action that will succeed is internationally agreed action, with people working together to deal with the situation. That is what the Government and my right hon. Friend the Foreign Secretary are trying to do.

The right hon. Gentleman asked a set of questions about relations between the Home Office and the Foreign Office. All I can say is that he and the reports are wrong. He asked whether the Foreign Office was involved in the decision last November, to which I referred. The answer is yes absolutely, and we were part of that decision in every respect. The Home Office works closely with the Foreign Office on all immigration and asylum matters. We have to do so; it would be ludicrous if we did not. That was the case from the outset.

The right hon. Gentleman asked whether anybody from the Foreign Office—Ministers or officials—made representations, by whatever process, in recent weeks, days or months that that position should be changed. The answer is categorically no. There have been no such representations of the sort to which he referred.

In terms of the whole approach, the right hon. Gentleman was generous enough to acknowledge that the issue is difficult and problematic, but I urge him to think carefully about the compatibility between the different parts of his contribution. When we consider removals, it is important that we think about the position of the Opposition parties in Zimbabwe, that we relate to them and to civil society, and that we make a proper assessment in each individual case about the liability of individuals to be subject to any kind of pressure on their return. That is what we do. We have the most comprehensive system of going through such considerations in every respect.

David Davis: What about the Kulinji case?

Mr. Clarke: The right hon. Gentleman raises an individual case, involving newspaper reports of lost tapes and so on. I am not going to talk about individual cases, but I make the pledge—as I did in my statement—that if hon. Members, such as my hon. Friend the Member for Vauxhall (Kate Hoey), raise individual cases, we will consider them properly. That is the right way to proceed.

Kate Hoey (Vauxhall) (Lab): How can the public have confidence in the Home Office immigration section in the light of its decision to remove Crispen Kulinji, when all of us who have been involved in opposing Mugabe know that he is a political activist? I discussed Crispen Kulinji's case with Morgan Tsvangirai last week when I was in Zimbabwe. The Prime Minister said today that he talks to the MDC. It has clearly asked for the deportations to stop. Can the Home Secretary explain what the difference is between last November, when we had a policy of stopping removals, and now, when we do not, bearing in mind that Zimbabwe is in an even worse state, with more human rights abuses and the destruction of livelihoods?

Mr. Clarke: I am afraid that my hon. Friend has got the general position wrong. The Government decided in

November—it was announced in this House on 16 November—to start returns to Zimbabwe. There has been no change in the policy in the six months or so since then. On the individual case that she makes, as I said in my statement—and I assure her on this—we will discuss in detail the particulars of any observation she may make. I reassure her that, as I said in my statement, we take the position of the MDC very seriously, and we will of course take that factor into account in this case as in others.

Mr. Mark Oaten (Winchester) (LD): I thank the Home Secretary for advance notice of the statement.

It is clear that the situation in Zimbabwe has gone from bad to worse in recent months. The forced evictions of more than 200,000 people could reach 1 million if the process continues in the months ahead. Those evictions have been matched with a total disregard of political rights. In my view and that of the Liberal Democrats, that adds up to the need to suspend deportations. In his statement, the Home Secretary said that the situation in Zimbabwe had not materially changed recently, but does he at least acknowledge that it is now much worse than it was four months ago?

Back in January 2002, deportation was suspended owing to unrest in Zimbabwe. What is the difference between the situation then and that at the moment? The Home Secretary said that he would keep the matter under ongoing review, but what would need to change for him to change his policy? Does he acknowledge the problem that there are some failed asylum seekers in this country who, if returned, could face persecution, for the simple reason that they applied for asylum from a regime that would not consider their rights if returned?

Is the Home Secretary prepared to meet representatives of the Refugee Council and the UNHCR to listen to their concerns? They favour suspending deportation, as do the Liberal Democrats.

Mr. Clarke: If I may, I will take those points in reverse order. I am certainly prepared to make a commitment that Ministers will meet a delegation of the sort that the hon. Gentleman described, in order to discuss the situation.

The fact that somebody may be at risk by definition of their having sought asylum in this country will certainly be taken into account when any case is considered. As I said, we will keep under very close review the overall situation in Zimbabwe—as we will in other countries, as Zimbabwe is not unique in the world in there being serious issues arising on a potential removal. To reinforce the point that I made to the right hon. Member for Haltemprice and Howden (David Davis), we do not do a Home Office foreign policy assessment that is independent of the Foreign Office or, indeed, of the Department for International Development. We discuss—principally with the Foreign Office—these questions on a regular basis at official and occasionally ministerial level, depending on how events move, and we will continue to watch the situation very closely from precisely the point of view that the hon. Gentleman raised.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State explain to the House the normal procedure for following the fortunes of those who have made unsuccessful asylum applications and have been deported to Zimbabwe, or indeed anywhere else? It occurs to me as a constituency MP that many people are deported about whom I and others have serious misgivings, but the Home Office always tells me that it has no record of what happens to people afterwards. Surely there should be, at the very least, monitoring as far as is possible of the situation of those who have been deported to Zimbabwe so far.

Mr. Clarke: My hon. Friend puts his question in the right way; monitoring as far as is possible is the right action. Our embassies or high commissions, working with non-governmental organisations and voluntary organisations in the field, assess these matters all the time. It is by such intelligence on the ground that, so far as is possible, we make our assessment about the individual circumstances that arise. That is what we will continue to do as it is the right way for us to proceed. It is why, by the way, the suggestion that the Home Office could be doing one thing and the Foreign Office something completely different is so misinformed.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The Home Secretary has missed the point—the hon. Member for Vauxhall (Kate Hoey) was absolutely right. The problem is twofold. We cannot be confident, given a system that has broken down so many times over the past few years, that those who have been deported under November's regime are certain to be all right on arrival in Zimbabwe. That gives us cause for concern. More particularly, does the Home Secretary understand that the decision goes further than individual cases? At stake is the necessity for Her Majesty's Government to send an incredibly powerful message to the world community that we are no longer going to send people back to Zimbabwe because we have no faith in Mr. Mugabe or his Government, and that it is time that everybody else did exactly the same.

Mr. Clarke: I noted that the language used by the right hon. Gentleman on the matter was different in important and substantial respects from that of the right hon. Member for Haltemprice and Howden (David Davis). The right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) raises a fair and legitimate point about the messages sent, which is certainly a matter of consideration for the Foreign Secretary, the Foreign Office and myself as we consider the issues in the round. However, I come back to my central point: in my opinion, our first responsibility in this country is to have a clear, transparent and fair system of dealing with asylum that works properly, that is properly monitored and in which proper decisions are taken about individuals' positions. That is my principal responsibility and it is the right way for us to proceed.

Glenda Jackson (Hampstead and Highgate) (Lab): Is it not the case that in the past there have been individuals about whom the judgment was made that it was safe for them to return to their country, but in fact we never saw or heard of them again? Surely it should cause my right hon. Friend some disquiet that Zimbabwe seems so willing to take asylum seekers back because he must know, as I do, of countries that categorically refuse to accept former asylum seekers,

[Glenda Jackson]

even though their asylum cases in this country have failed. Surely we should reimpose the moratorium until we can be absolutely certain that if we send people back they will be safe, because the protestations of the Zimbabwe Government are certainly not worth the air with which they are furnished.

Mr. Clarke: The judgments that are made about the safety of individuals, which involve a substantial process, are not dependent on assurances from the Zimbabwe Government in any respect. Nor is it the case that we have any evidence whatsoever of people being returned to Zimbabwe or elsewhere who have been subject to the kind of treatment that my hon. Friend suggests.

Glenda Jackson: We most certainly do.

Mr. Clarke: If my hon. Friend has precise examples, I candidly ask her to give them to me so that I can deal with them directly. The approach must be based on substance, not assertion.

Peter Bottomley (Worthing, West) (Con): Can the Home Secretary say whether his Foreign Office sources can confirm that an Opposition Member of Parliament in Zimbabwe who lost his temper and was sentenced to a year's hard labour has lost half his body weight, which would take even people on hunger strike some time to achieve? Will he also confirm that five months ago his Department answered a question from me on 25 January by refusing to confirm whether Crispen Kulinji had experienced either abduction or torture? Does the Home Office accept that he had to use false information to get his Zimbabwean passport? Will the Secretary of State kindly sort out that case, as well as considering representations made in other cases?

Mr. Clarke: I have already said that I will address that specific case, which was raised by my hon. Friend the Member for Vauxhall (Kate Hoey).

Mr. Chris Mullin (Sunderland, South) (Lab): Does my right hon. Friend agree that the contribution of the right hon. Member for Haltemprice and Howden (David Davis) was as shameless a performance as we have so far seen in this Parliament, given that his party has just fought a general election on the basis that all asylum seekers should be sent home as soon as possible?

Although it is right that we should be extremely cautious when returning failed asylum seekers to countries such as Zimbabwe, is my right hon. Friend aware that many Zimbabweans who came here as economic refugees turned into political refugees retrospectively? For example, in the west midlands a while ago, an enterprise manufacturing fake MDC cards was discovered. How can it be right for people found in possession of fake MDC cards not to be returned to their country?

Mr. Clarke: My hon. Friend is entirely correct. I would not descend to the party political language that he used about the right hon. Member for Haltemprice and Howden (David Davis), so all I shall say is that there is some validity in his remarks. On my hon. Friend's more general point, it is certainly the case that people have demonstrably tried to evade the system in the way in which he described for no political reason whatsoever. It is critically important for us to attack the nature of the Zimbabwe regime and various aspects of how it operates, but it is also critically important to maintain an immigration and asylum system that is fair and is seen to be fair.

Angus Robertson (Moray) (SNP): When will Government rhetoric against the Mugabe regime be matched by meaningful action? What will it take to get a suspension of deportations? Does not the Government's position as outlined today undermine co-operation with other EU member states to ensure that Zimbabweans are not sent back into harm's way?

Mr. Clarke: On the last point, the position does not undermine co-operation at all. I am sorry not to give the sort of graphic answer that the hon. Gentleman wants, but the way to proceed is by international co-operation through the G8 and other arenas to make change happen in Zimbabwe. We must follow that course—I see no alternative. The Government are pursuing such action energetically.

Lynne Jones (Birmingham, Selly Oak) (Lab): My right hon. Friend, in his statement and his replies to my hon. Friends the Members for Islington, North (Jeremy Corbyn) and for Hampstead and Highgate (Glenda Jackson), referred to the lack of substantiated reports of abuse of returnees. I have a letter from the Minister for Immigration, Citizenship and Nationality confirming that the Government have received uncorroborated reports of at least one disappearance and beating. What has to happen to get the reports substantiated, given that the Minister also says that the Government do not routinely monitor the treatment of returnees? Is not it time that we followed up what happens to people when they return to Zimbabwe if the Government insist on continuing to deport them, despite the UNHCR advising against it?

Mr. Clarke: Any report, whether substantiated or uncorroborated, is rightly examined carefully. We must make judgments on the basis of our intelligence about what is proceeding. However, I make the serious point that some individuals from all countries are trying to enter this country by not telling the truth about their circumstances. The immigration and appeals procedure is designed to test that. The question can legitimately be asked, as my hon. Friend did: are we correctly going through the individual story in each case to establish the position? Nevertheless, the procedure that I set out is the right one to follow.

Mr. Andrew Mackay (Bracknell) (Con): Presumably, when the Government lifted the suspension of the enforced removal of asylum seekers to Zimbabwe last November, there was only one good reason for doing it—there were many illegitimate cases and false claims. If that is the case, why did not the Home Secretary answer the question of my right hon. Friend the Member for Haltemprice and Howden (David Davis) and tell us how many such cases led him to reach that conclusion?

Mr. Clarke: The true answer is that I did not reply to the question because I did not hear it clearly enough. Indeed, I mumbled to my hon. Friend the Minister for Immigration, Citizenship and Nationality to ask him what exactly the question was. I cannot give the number that the shadow Home Secretary wants now, but I shall write to him setting out our assessment of the position. The statistics are difficult to quantify because, by definition, people have come into the country illegally and we do not know the exact numbers. However, I shall write a letter to the right hon. Gentleman and put a copy in the Library to set out the position as clearly as I can.

Hugh Bayley (City of York) (Lab): The humanitarian crisis in Zimbabwe is very real, but it is increasingly clear that condemnation of Mugabe and his regime, whether by our Government or other hon. Members, is like water off a duck's back. The only way in which to secure political change in Zimbabwe is through other African countries applying pressure. Does my right hon. Friend agree that if we adopted a different approach to refugee applications from Zimbabwe, compared with those from other African countries, we would be less likely to build that team support, with African Governments putting pressure on Mugabe, which we need for an end to the humanitarian crisis?

Mr. Clarke: My hon. Friend is right. Indeed, one of the motives for changing the policy last November was precisely to acknowledge that although Zimbabwe had unique aspects, similar issues arose in other countries and we needed a uniform approach to all countries.

My hon. Friend has a record of campaigning on matters relating to democracy in southern Africa that goes back to the time when we first knew each other too many years ago. He is especially well placed to say that the way to make progress is for African countries, as well as EU-G8 countries, to engage in making the case for democracy in Zimbabwe.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Home Secretary will be aware that a significant number of Zimbabweans are on hunger strike at Campsfield house in my constituency, including the man referred to by the hon. Member for Vauxhall (Kate Hoey), to whom we owe a debt of gratitude for raising his and other cases. Does the Home Secretary understand that detention for such long periods while general policy and individual cases are decided is very unsatisfactory and results in many people being left in a miserable situation? I have just heard that an 18-year-old Turkish asylum seeker committed suicide by hanging at Campsfield last night. Does not that give the Home Secretary pause? Are we not detaining too many people for too long while general policy and individual cases are sorted out?

Mr. Clarke: Any death in detention is a total tragedy, and they occur more often than they should; I accept that point completely. I also take the hon. Gentleman's second point that the faster these decisions can be taken, the better. That is, the shorter the time that anyone spends in detention, the better. That is also true. However, it is necessary that any decisions that we take are properly taken, for the reasons that I set out earlier. It is important that due process is properly followed and that people are given the opportunity to make their case in regard to the difficult decisions that arise. If the hon. Gentleman is saying that we should try to accelerate these processes so that people can move out of detention faster, I agree with him that that is the best way to proceed, and that is what we are specifically trying to do.

Steve McCabe (Birmingham, Hall Green) (Lab): I am sure that my right hon. Friend is as relieved as I am that we do not have a quota system in place and that we have not reached its limit, otherwise all the concern being expressed today would be quite pointless. Will he accept, however, that Members on both sides of the House are deeply uneasy about this situation? Too many of us have seen cases in which a ruling has been made to return someone to Zimbabwe that does not make sense to the individual MP. I heard my right hon. Friend say earlier that all cases would be looked at; will he give us a categorical assurance that all Members who make representations to him on such cases will be given absolute clarification on how the decision has been reached and how any new evidence has been taken into account? We are not all confident that that is happening at present.

Mr. Clarke: On my hon. Friend's final point, I can give him an assurance that any representation from a Member will be fully considered, and that the detailed information that he requests will be given. On the more general point, it is right to deal with this issue in a pragmatic and direct way, so quotas and fantasy islands are not the right way to proceed. It is obvious to all individual Members of Parliament, and to me, as Home Secretary, that it is certainly true to say that these are difficult questions. That is a fact. We have, nevertheless, in these difficult circumstances, to take the best decisions that we can, and that is what I will try to do. However, I invite all Members who have questions about the process—I emphasise the word "process"—to forward them, and we will look at them, as we rightly should.

Mr. Graham Stuart (Beverley and Holderness) (Con): Given the current situation in Zimbabwe, which the Home Secretary does not dispute, surely the evidential test that he poses in asking Members to bring forward evidence of abuse should be reversed. Surely in such circumstances—whose existence we all accept; there is disquiet across the House on this—it is for his Department to say that it is safe to return people, rather than the other way round. In the light of that, and of the disquiet felt by so many Members on behalf of people living in their constituencies, I hope that he and his Ministers will take special care to put aside time to meet Members such as myself who want to raise cases such as that of Ashleigh McMaster, a 19-year-old girl who, if returned to Zimbabwe, will probably be conscripted. We know that, in the Zimbabwean army, many people disappear into a system in which rape and abuse are widespread. To allow someone who has turned to us for protection to be returned in the present circumstances must surely be wrong and must be questioned.

Mr. Clarke: I have already said that we will look at individual cases presented by Members. As I said in my statement, in the 15 months to March this year, we granted asylum or discretionary leave at initial decision

[Mr. Clarke]

to 270 Zimbabweans, precisely for reasons such as those that the hon. Gentleman has mentioned. We weigh these issues very carefully and come to a judgment, and I think that our record of judgment is good.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend accept that saying that deported failed asylum seekers are to be tracked by non-governmental organisations does not greatly reassure us, given the difficult climate in which those NGOs operate and the real difficulty that they have even to manoeuvre inside that country, much less to keep track of such failed asylum seekers? Does he also accept that while dealing with such asylum seekers on a case-by-case basis might be correct in legal terms, it is not an adequate solution politically to what is happening inside Zimbabwe, which is leading to a massive outflow of population to South Africa, Botswana and the UK?

Mr. Clarke: I understand both my hon. Friend's points. First, our commitment, principally with the Foreign Office, whose embassies, missions and work with NGOs are particularly significant, is to monitor the situation to the best of our ability. I understand why my hon. Friend may say that that is not good enough, but it is the best that we can do in such circumstances. Secondly, I agree that the situation in relation to Zimbabwe is highly political, and it is incumbent on us to find the best ways to promote change in the Zimbabwean regime. That is why the G8 will consider the matter this weekend.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. Gentleman has said that political persecution, abuses of human rights and denial of basic freedom persist in Zimbabwe. Given that, why do the Government not ask the Security Council of the United Nations to appoint a special rapporteur, with a view to the appointment of an ad hoc tribunal, to charge Mugabe and his colleagues with criminal offences?

Mr. Clarke: I will pass that suggestion to my right hon. Friend the Foreign Secretary.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the Home Secretary accept that there is genuine concern about the deteriorating position in Zimbabwe? Can he indicate in more detail how the general process of reappraisal that he has outlined operates in relation to the application from any one individual?

Mr. Clarke: First, I accept that my hon. Friend is right that the concern is genuine and not synthetic in any regard. Secondly, according to the process that we must follow, each individual case is considered. In addition to that process, if Members of the House have observations about particular individual circumstances, I will pay attention to them.

Dr. Vincent Cable (Twickenham) (LD): Is the Home Secretary aware that entry clearance officers in Harare are rejecting what appear to be perfectly sound individual applications for family and student visas on the general grounds that conditions in Zimbabwe are so bad that visitors would be unlikely to return? Is it general Government policy to discourage or stop Zimbabweans from visiting Britain?

Mr. Clarke: We do not seek to discourage visits for legitimate purposes, which are commonly migration to work and migration to study. The job of visa officers in each country in the world, including those in Harare, is to examine the intentions of the person who applies for a visa and then to make a judgment.

Alistair Burt (North-East Bedfordshire) (Con): The Home Secretary will be aware that I have the Yarl's Wood detention centre in my constituency, where I visited two women Zimbabwean detainees yesterday, whom I asked not to continue their hunger strike as they should look after their welfare. Perhaps I can help him, however, with some of the figures that he was struggling for earlier in answer to my right hon. and hon. Friends. The Zimbabwe Association, a support group for asylum seekers and refugees, tells me that in 2002, when the moratorium was imposed, there were 7,695 asylum applications in the UK; in 2003, the figure stood at 3,280; and in 2004, it was 2,045. Therefore, there would appear to be little evidence that a moratorium encouraged false applications. In view of that, what risk are the Government taking by re-imposing a moratorium? Would not it be best to take that risk rather than risk the lives of returning detainees?

Mr. Clarke: I have already said that I will write to the right hon. Member for Haltemprice and Howden (David Davis) with the detail on the numbers. As for the risks, it is true that there are risks involved in everything. It is the job of our system, however, in going through any particular application for asylum, to make an assessment of precisely those risks. My observation, which I believe to be true, is that that job is generally well done and has been successful since November in the way that I have set out.

Dr. Julian Lewis (New Forest, East) (Con): At the end of his statement, the Home Secretary said that when Zimbabwe eventually became a democracy it would be possible for all Zimbabweans to return. Given that that is his position, will the Government's stance be that we will fast-track the return of all people claiming asylum from countries that are recognised to be democracies already? That, surely, would maximise the time available and speed up the process whereby serious cases of people claiming asylum from dictatorships could be processed quickly and justly.

Mr. Clarke: We take exactly the stance that the hon. Gentleman suggests. Obviously it is much easier to remove people to places that are democracies, because all the various issues with which the courts would rightly be concerned must be addressed. If, however, the hon. Gentleman would like a seminar on the specific issues on a country-by-country basis, I should be delighted to give it to him.

Mr. Julian Brazier (Canterbury) (Con): As the Home Secretary says, this is an agonisingly difficult issue. But even if he will not accept that Zimbabwe is a special case,

does he not see an inconsistency in the figures for the last quarter? During that period, we appear to have deported more people to Zimbabwe—one of the most brutal and horrible regimes in the world—than to Kosovo, which is currently garrisoned by European Union troops.

Mr. Clarke: I do not think that the comparison has any relevance to the situation. It is a country-by-country situation, which we must assess while—as the hon. Gentleman rightly says—taking the difficult issues into account.

Mr. Henry Bellingham (North-West Norfolk) (Con): In 41 minutes, the Home Secretary has made no mention of the dramatically changed circumstances in Zimbabwe. Does he not understand that the totally wicked forced eviction programme has created a humanitarian disaster, as was pointed out by the hon. Member for Vauxhall (Kate Hoey)? Nearly 400,000 people have been evicted, 20,000 of whom have been arrested. Are we not seeing completely changed circumstances?

Mr. Clarke: I am well aware of that. If the hon. Gentleman had listened to what I said, he might have heard me refer to it a number of times.

BILL PRESENTED

Crown Employment (Nationality)

Mr. Andrew Dismore, supported by Mr. Andrew Love, Dr. Tony Wright, Annette Brooke, Keith Vaz, Mr. Andrew Slaughter and Martin Salter, presented a Bill to make provision for and in connection with the removal of general restrictions as to nationality which apply to persons employed or holding office in any civil capacity under the Crown; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on 16 June 2006, and to be printed [Bill 34].

Orders of the Day

Civil Aviation Bill

[Relevant document: The Fifteenth Report from the Transport Committee, Session 2003–04, HC 806, on Financial Protection for Air Travellers.]

Order for Second Reading read.

4.12 pm

The Minister of State, Department for Transport (Dr. Stephen Ladyman): I beg to move, That the Bill be now read a Second time.

First, let me pass on the apologies of my right hon. Friend the Secretary of State. He cannot be here because he is attending the European Transport Council in Luxembourg.

Aviation makes a substantial contribution to our national economy—about £10 billion in 2002. It represents about 1 per cent. of economic activity in the United Kingdom. The industry provides 200,000 jobs directly, and three times as many indirectly. More and cheaper flights afford opportunities to travel undreamt of by earlier generations. Now half the population fly at least once a year, and many fly more often—on business, competing in the global marketplace or as leisure travellers, taking advantage of the greater opportunities to discover other countries and cultures.

Aviation is our gateway to the world. The range of destinations served directly by our national and regional airports has expanded enormously. Last but not least, air passenger duty contributes just under £1 billion a year to the Exchequer.

Not everyone can view airports in that warm light, however. Many people who live close to them have very different feelings, and some consider that aviation has dramatically reduced the quality of their lives. It is true that over the years during which there has been an increase in air traffic, there have also been substantial improvements in the noise levels of jet aircraft, and noise at many of our major airports has been significantly reduced as a result. Nevertheless, it remains important for communities affected by noise to feel assured that their interests are taken fully into account as the aviation industry continues to develop.

Susan Kramer (Richmond Park) (LD): Does the Minister not accept that for those who live under the flight path, as many of my constituents do—and as I do, which faces me with a conflict on this issue—the number of aircraft movements, especially at night, is just as important as the cumulative noise quotas proposed by provisions in the Bill that would allow an end to controls on the number of movements? For those who are awoken at night by an aircraft, what matters is not the cumulative noise quota but the very fact that they have been woken up.

Dr. Ladyman: The purpose of the Bill, as I will explain in a moment, is to empower those responsible for monitoring noise at a given airport to take the most appropriate action to deal with noise at that airport. The point that the hon. Lady makes is entirely valid in respect of some airports, at which the number of aircraft

[Dr. Ladyman]

movements would need to be taken into account. At others, forcing people to use quotas, rather than taking account of the noise of individual aircraft, has a deleterious effect on their quality of life, so they would want a different solution. The Bill gives the authorities the power to make those decisions.

Susan Kramer: Will the Minister give way?

Dr. Ladyman: Let me make some progress first. We have a full day's debate, so we will have plenty of time to discuss these issues.

The Bill will, among other things, strengthen and clarify powers to control aircraft noise and emissions, in line with the commitments given in the Government's White Paper, "The Future of Air Transport," which was published in December 2003. First, the Bill will amend the powers through which the Secretary of State currently controls aircraft noise at Heathrow, Gatwick and Stansted. Secondly, it will introduce new statutory provisions for controlling aircraft noise at airports where the Secretary of State does not exercise his powers.

Mr. Mark Todd (South Derbyshire) (Lab): Does my hon. Friend accept that the Bill proposes to give these powers to the airports themselves, and that although many airports might exercise such responsibilities responsibly, some people might want an independent audit of their ability to regulate their own activities?

Dr. Ladyman: The Bill gives such power to the airport authorities, and as my hon. Friend correctly says, in many cases that will be the airport operator. But of course, they will be operating within the planning constraints imposed by the local authority. The existence of these powers will enable local authorities and airport operators, working in conjunction, to provide the controls that my hon. Friend seeks.

John Bercow (Buckingham) (Con): I congratulate the hon. Gentleman on his appointment—I am only sorry that for the second time in succession, he defeated in South Thanet my very good friend Mark Macgregor, who would have made an excellent Member of this House. Will the order-making power provided for in clause 5(3) be subject to the negative procedure of the House, or to its affirmative counterpart?

Dr. Ladyman: I will reflect on that question and let the hon. Gentleman know the answer in good time. I thank him for his good wishes. I had a very enjoyable election with his good friend, but I was delighted to beat him for the second time.

Section 78 of the Civil Aviation Act 1982 empowers the Secretary of State to exercise direct control of noise measures at designated airports. Heathrow, Gatwick and Stansted have been designated, and noise-control measures at these airports include noise-preferential routes, departure-noise limits and night-noise restrictions. Although we consider the existing powers to be broadly appropriate, the White Paper gives a commitment to amending section 78, so that controls such as night restrictions could, subject to public consultation, be set by reference to the amount of noise generated by aircraft on the basis of noise quotas alone, without a separate movements limit. This relates to the point made earlier by the hon. Member for Richmond Park (Susan Kramer).

As a result of this amendment, the primary control at an airport regulated by the Secretary of State could be related more directly to noise nuisance, providing a more effective incentive for airlines to acquire, use and develop quieter aircraft. I emphasise the word "could", by way of response to the question raised by the hon. Member for Richmond Park. However, I should emphasise that amending these powers should not be interpreted as a precursor to any immediate change in policy for noise control at the designated airports. For example, the recently launched stage two consultation on night flight restrictions at Heathrow, Gatwick and Stansted is based on the legislation as it currently stands and the outcome will set the limits for night flights both in terms of movements and noise quotas until 2012.

Mr. Mark Prisk (Hertford and Stortford) (Con): With regard to Stansted, which is adjacent to my constituency, is the Minister suggesting that the quotas and aircraft movement limits be complementary? Is that the Government's intention? Or is it their intention to see the limits removed and simply to rely on the noise quotas for night flights?

Dr. Ladyman: No. The Government's intention is that there should be a proper consultation among the stakeholders involved in a particular airport, including the local community, and the most appropriate form of measurement would be the one that would apply at that airport. We are not intending one solution in any particular place at all. We are simply enabling the Secretary of State to have more flexible powers at his disposal so that we can better tailor the noise rules at each airport to the needs of that local community.

Mr. Edward Garnier (Harborough) (Con): The logic of the hon. Gentleman's most attractive argument is that other airports should be designated as well so that they can be brought under the umbrella of the Secretary of State's care and control. From what he has said, I assume that Nottingham East Midlands airport is an early candidate for designation.

Dr. Ladyman: I am sorry to disappoint the hon. and learned Gentleman; we have no such plans at this point. It would be necessary for local Members and interested parties to convince the Secretary of State that he needed to designate a particular airport other than those that are designated at the moment. The Bill, as I shall point out in a moment, provides effectively the same range of powers to the airport authorities that control other airports as those that are available to the Secretary of State at designated airports. We hope that it will not be necessary to designate more airports, but the hon. and learned Gentleman and colleagues around his constituency would be free to make the case to the Secretary of State if they felt that there were evidence to support the designation of Nottingham East Midlands airport.

Before I continue, may I tell the hon. Member for Buckingham (John Bercow)—unfortunately, he is not in his place—that I have reflected and that the answer to his earlier question is the negative resolution?

I can assure the House that any proposals to change the arrangements by which we control noise at the three designated airports would be subject to consultation in the normal way. Although the Government have a direct role in noise control at the three designated airports, elsewhere, airports are, apart from any planning restrictions that may apply, responsible for their own noise control arrangements, usually as part of their conditions of use; a point made by my hon. Friend the Member for South Derbyshire (Mr. Todd).

That accords with our long-standing policy—re-emphasised in the White Paper—that, generally speaking, aircraft noise problems are best resolved locally by the airport working with the local community. In the majority of cases this works well but, in some cases, there has been doubt about what airports can and cannot do within the existing law. That is why, in the White Paper and the Department's document "Control of Noise from Civil Aircraft: The Government's Conclusions", we gave a commitment to clarify and enhance airport powers in statute.

Dr. John Pugh (Southport) (LD): In the case of the smaller airports, are the public or the local authority statutory consultees? If not, why not?

Dr. Ladyman: The local authority has planning responsibility for an airport and an involvement in setting the conditions of its use. Most, if not all, of these airports will have a consultative committee that includes members of the local community and the local council. It is in that context that the local community would be involved in setting these powers.

Mr. Todd: My hon. Friend has been very patient. I have two points for him to consider. The White Paper referred to the need to impose stringent noise controls at certain airports, including Nottingham East Midlands. That would suggest that perhaps there was an objective test of what stringent meant, rather than just how the airport itself chose to define it. Secondly, airports are going through the process of preparing master-plans. What role do those have in determining the local position on noise control?

Dr. Ladyman: My hon. Friend is right: if we are to have stringent noise control, we have to define "stringent". However, the definition will be different at different airports. Some airports are closer to areas of residential use than others. Such matters need to be tailored according to local circumstances, and that is where the master-plans will come in, because they will have to take account of local needs.

The Bill provides, therefore, explicit statutory powers for airports to make noise control schemes. These powers essentially replicate for non-designated airports the powers of direction over aircraft operators that the Secretary of State will, if this Bill is passed, exercise in respect of Heathrow, Gatwick and Stansted. The Bill defines the maximum area within which the airport's powers to control aircraft noise apply, although there is provision for the Secretary of State to alter this in individual cases by consultation. For example, the standard definition is designed to encompass noise preferential routeing for aircraft taking off that goes significantly beyond the boundaries of the airport itself.

The Bill also puts on a statutory footing the ability of airports to impose penalties on aircraft operators that have not complied with the terms of a noise control scheme. We are already aware of one major airport, for example, which is awaiting statutory powers before imposing discretionary financial penalties for aircraft deviating from preferred noise routes. The power for airports to impose penalties is balanced, however, with a requirement that noise control schemes should provide for an opportunity for aircraft operators to make representations to the airport operator regarding the imposition of penalties.

Andrew Mackinlay (Thurrock) (Lab): My hon. Friend suggests that the airport operator is to be the policeman when an aircraft operator digresses from the authorised route, but the airport operator needs the airlines, not the other way round. Can we be confident that airport operators will impose severe sanctions on airlines in those circumstances?

Dr. Ladyman: It is certainly true that the airport operator needs airlines to make profit at his airport. However, he also needs an airport, which means that he needs the good will, co-operation and agreement of the local council. The local council will be in a position to ensure that the airport operator introduces noise control rules that are appropriate to the local community. That will strike the right balance between the needs of the local community for noise control schemes and the needs of the airport operator to offer a flexible service to airlines.

The ideal situation, of course, is that by airports and airlines working collaboratively, which they do in the majority of cases, the need for financial penalties is kept to the minimum. But where financial penalties are appropriate, the Bill provides for the local community to benefit from the money. In practice, that tends to happen anyway, but not always. The aim should be for the airport to foster co-operation with the airlines and the local community with the use of penalties being a measure of last resort.

In the White Paper, we said that we wanted airports to be able, if they wish, to extend their noise measures. That could, for example, include an overall noise contour or quota system so that they can relate to overall use of the airport, thereby enabling clearer environmental objectives to be set. I would like to emphasise that where existing arrangements are working satisfactorily, the expectation will be that such arrangements will carry on. Our advice is, "If it ain't broke, don't fix it."

Mr. John Randall (Uxbridge) (Con): Is the Minister saying that the Bill could give the Government powers, should they want to use them, to get rid of a numbers limit during the day, as well as at night?

Dr. Ladyman: Any changes that the Government would make to noise regulations at an airport would have to follow appropriate consultation. The Secretary of State's powers under the civil aviation legislation are there for all to see. However, the provisions of the Bill are designed to help airports that may want to refresh or enhance their existing arrangements. For the very largest airports, the Aerodrome (Noise Restrictions)

[Dr. Ladyman]

(Rules and Procedures) Regulations 2003 set out the procedures that major airports should follow when considering measures to deal with noise problems. That reflects the adoption by the European Union of the International Civil Aviation Organisation's balanced approach, according to which airports should not impose measures more restrictive than necessary to achieve noise objectives or discriminate on grounds of nationality, air carrier or manufacturer.

Mr. Prisk: May I press the Minister further? Will he now rule out the idea that the Government have any intention of changing the movement limits for daytime flights?

Dr. Ladyman: I will not rule out anything. I have made it clear that the rules were set out in the existing legislation that I described, that the Bill gives the Secretary of State certain powers in respect of designated airports and also extends those powers to airports that are not designated. That does not change the position on daytime movements, but if appropriate, there could be consultation that could lead to changes in the future.

Civil aviation legislation enables licensed airports to fix their charges by reference to the noise that aircraft make. Additionally, the Secretary of State may direct an airport to do that, although he has not found it necessary to do so to date. However, the legislation concerning local air quality goes back to 1982, when there would have been little or no expectation that airports would want to vary their charges by reference to aircraft emissions.

The Government's air quality strategy has since set out health-based air quality objectives for air pollutants, derived from EU air quality directives. Although, on a national scale, the contribution of air transport to those impacts is small—certainly compared with road traffic, for example—its effect can be significant in individual cases. We therefore gave a commitment in the White Paper that the Government would introduce legislation enabling the Secretary of State to require an emissions-related element to be included in landing charges at airports where there are local air quality problems.

In fact, BAA has already incorporated an oxides of nitrogen emissions element in its airport charges at both Heathrow and Gatwick, as part of its conditions of use, and I applaud it for having done so. However, by making explicit the power to do so in statute, the Government wish to send an even clearer message that they support airports that want to incorporate economic incentives to help to tackle local air quality problems. The Secretary of State will retain the discretion to issue a direction in individual cases, should he consider that necessary at some future date.

Mr. Robin Cook (Livingston) (Lab): I am delighted that my hon. Friend is acting to control local pollution caused by aviation, but he will be aware that the big current debate on pollution from aviation is about the global impact on climate change—hence the recent strategy for sustainable aviation. How confident is he that he will be able to bring aviation into the emissions trading scheme and, if he is not, is he willing to look for consensus on some of the ideas advanced by other members of the European scheme?

Dr. Ladyman: I can give my right hon. Friend those assurances. We shall use our presidency over the next six months and we hope to take forward some of the negotiations on aviation. In particular, we have made it clear that we are interested in some of the proposals for emissions trading for aviation and we shall do our best to take forward those negotiations over the next six months.

Lembit Öpik (Montgomeryshire) (LD): Is the Minister aware of an irony in the potential tax system for general aviation, which, although it is a very small contributor to emissions, may be forced to pay Eurocontrol navigation charges that are now paid primarily by the large commercial airline sector? Is he willing to meet representatives from the general aviation professional bodies, so that they can explain the issue and the counter-productive way in which the new charges could work? Moreover, could he do that in a time frame that would enable amendments to be tabled before the Bill finishes its Committee stage?

Dr. Ladyman: The Government are happy to receive representations. I suggest that the best Minister to make the representations to is the Under-Secretary of State for Transport, my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), who is primarily responsible for aviation matters, and will wind up the debate. We all have an open office in the Department for Transport and are always happy to receive new ideas from anyone.

Thus far, I have described the important environmental issues that the Bill deals with, but it also contains two important provisions relating to the financial protection and health of air travellers. Organisers of air package holidays are required, as part of the air travel organisers licensing—ATOL—requirements, to provide a bond to be used to repatriate and reimburse holiday makers in the event of a company's insolvency. The air travel trust fund is a back-up facility for the financial protection of people who book air package holidays. If a tour organiser becomes insolvent and the bond proves insufficient to pay for the repatriation and reimbursement of those affected, the ATTF is used to make up the difference.

As a result of various calls on the fund, it has become depleted and has been in deficit for some years. There are no statutory powers to impose a levy on travel companies to replenish the fund. A precursor to the fund—the air travel reserve fund—was wound up in the 1980s and the powers to levy could not be revived. The bank overdraft in respect of the deficit of the fund has been guaranteed by the Government, pending a suitable legislative opportunity to secure new powers.

There are therefore clauses in the Bill that will enable the Secretary of State to make regulations permitting the Civil Aviation Authority, following consultation, to impose a levy on travel organisers that will, over time, eliminate the present deficit and establish sufficient

funds to deal with future travel company insolvencies. The CAA will consult on the nature of the charge and its duration.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): My hon. Friend will be aware that many travellers, because of the way tickets and holidays are purchased nowadays, have no idea that, if any of the companies became bankrupt, they would be stranded with no rights of return and no support. Will he give us a firm assurance that the CAA will be supported in its suggestion that a £1 levy across the board would not only give travellers genuine protection so that Her Majesty's Government would not have to pay for the repatriation of British citizens, but benefit many companies by straightening out many of the current anomalies?

Dr. Ladyman: I understand my hon. Friend's point and we have received a number of representations on this matter, not least the report of the Transport Committee. I have to tell her, though, that we have also received a great many representations putting the other side of the argument. It is by no means a black-and-white issue. There is a balance to be struck and, at this stage, the Government are not prepared to give the assurance that my hon. Friend seeks.

Mrs. Dunwoody: My hon. Friend will also be aware that I was a Minister when the original scheme was introduced and I can assure him that it was introduced because Her Majesty's Government were extraordinarily embarrassed at finding themselves with thousands of British citizens on various holidays who, without protection, were unable to get back to their own country. Let me assure him that the balance of the argument lies with consumers, who do not even know that they are currently not protected, but who would certainly make Her Majesty's Government pay when they suddenly discover that they are not.

Dr. Ladyman: My hon. Friend makes some good points. Before the general election, the Government began work to make more information available so that people are made aware of their lack of protection when they are not covered by the ATOL scheme. Having said that, I ask her to reflect on some of the opposing arguments. Some larger airlines, for example, have pointed out that one of the reasons for their competitive advantage is that people know that it is unlikely that they will go bankrupt. They feel that their competitive advantage would be taken away from them if a levy were imposed. Others have pointed out that consumers are not protected by an automatic levy in other areas, where they are expected to take reasonable steps to protect themselves. We need to find the right balance in the arguments. That is why the Government want to reflect on those arguments, not least those advanced in the House today and later in Committee, before deciding how best to proceed. We have neither ruled out nor ruled in the measures that my hon. Friend has requested.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): The Minister may well want to travel to the United States where he may see an airline—one of the larger ones—going belly up shortly. If that happens, passengers will be scattered all over the USA and elsewhere, and many British people will be affected. This is an important matter that needs to be addressed if we are to bring about, as the Minister said, a proper balance. If there is to be balance, surely we should take an onerous task from what used to be known as the charter companies, which have to undertake it in order to operate, and instead create an insurance policy that covers everyone who travels.

Dr. Ladyman: I hope that my hon. Friend is not suggesting that the British Government should indemnify flying travellers wherever in the world they are, whoever they are flying with and no matter from which country the carrier from whom they bought their tickets emanates. I accept his argument, but there are arguments in favour of putting a levy in place, and, equally, arguments against. The Government do not feel able to rush into a decision. We want to consider it properly. If we decide to proceed, we want to make sure that the regulations we come up with are sound, fair to everybody and compliant with the law. I re-emphasise that we have not ruled it in and are not ruling it out. We want to hear people's views.

Mr. Donohoe: What are the disadvantages?

Dr. Ladyman: They are as I have just pointed out. The larger airlines, which are known to be sound and have a good record of commercial probity, feel that investing in that probity has cost them a lot of money. They do not feel that they ought to be forced to levy a charge against their passengers from which their passengers will never benefit. Secondly, many people choose to buy airline tickets over the internet these days, and there are difficulties about when someone is covered and when not. Those would need to be explained to people. Others buy tickets through travel agents, and agents have made representations saying that they do not want to sell someone a plane ticket and then immediately have to tell them to take out travel insurance against insolvency.

There are strong arguments in favour of the levy and strong arguments against. The Government are simply saying that we want to hear the arguments and take a balanced position to make sure that we make proposals that will work. We did not feel able to do that in time for the Bill, but we are certainly not ruling it out or ruling it in at this stage. Comments in this debate, in Committee and at later stages will influence us. We will make a decision and announce it as soon as we possibly can.

I am aware of concerns expressed in some sections of the travel industry about the lack of financial protection for people who buy a flight on its own rather than a package holiday. As we have just heard, there have been many calls to extend the Bill to cover all air travel. The Government have noted the decline in the proportion of people covered by the ATOL scheme and are evaluating a wide range of options. If we conclude that such an extension of consumer protection is warranted, we will need to consult publicly on the preferred option before bringing forward a further legislative proposal. This is a complex area and it is important that we get it right. We are not prepared to rush something through to include it in the Bill. Powers need to be framed and carefully and thoroughly drafted.

Mrs. Dunwoody: My hon. Friend has been astonishingly kind in giving way. It takes a long time to

[Mrs. Dunwoody]

get civil aviation before the House. That is not a new thing. If he really believes the rather weak and—forgive me—wholly indefensible arguments he has put up this afternoon, will he give me a timetable for when the magic time of balance will appear so that we may take a judgment?

Dr. Ladyman: One thing I have noticed about my hon. Friend is that every argument that disagrees with one of hers is entirely indefensible.

Mrs. Dunwoody: That is because I am right.

Dr. Ladyman: The commitment that I have given my hon. Friend is that we will deal with the matter as quickly as we possibly can. At the first possible opportunity, we shall bring forward our proposals, but I emphasise—

Graham Stringer (Manchester, Blackley) (Lab): Will my hon. Friend give way?

Dr. Ladyman: I would rather move on, as I suspect that there are points later in my speech that will be of even more interest to my hon. Friend and on which he can intervene.

I am not saying that we oppose extending the scope of financial protection but that we need to give the matter more consideration, including listening to the views of the House, before bringing forward a legislative proposal, should we decide to do so.

In March 2003, we announced the establishment of the aviation health unit—a dedicated facility within the Civil Aviation Authority for the provision of health advice to passengers, airlines and others. The unit, which has been in operation since December 2003, is funded by the Department for Transport. However, it has been the policy of successive Governments that such costs should be borne by the aviation industry rather than the taxpayer, so we have included a clause to enable the CAA to recover the cost of the AHU from the industry by a suitable charging scheme. The CAA will, of course, consult on the most appropriate charging mechanism but the amount of money involved is extremely small, amounting to less than 0.5 per cent. of what airlines currently pay towards the cost of the CAA.

Under current legislation—section 17(4) of the Airports Act 1986—an airport company owned by a local authority or a group of local authorities, known as a public airport company, or any subsidiary, is prevented from engaging in activities in which none of its shareholding local authorities has the power to engage. That restriction was considered appropriate at the time. However, there have been calls in recent years for it to be relaxed to allow successful public airport companies, such as the Manchester Airport Group, to develop their businesses and better serve their local area and the wider region.

On two occasions, amendments to other Bills were tabled in another place and subsequently withdrawn, but the Government made clear their sympathy with the principles of relaxing the restrictions and clarifying the position where there is uncertainty. In June 2003, in another place, my noble Friend Lord Rooker gave a commitment to consider the matter further with a view to introducing legislation when a suitable opportunity arose. We are now honouring that commitment. The Bill will allow the Secretary of State, by regulations, to specify permitted activities that he considers incidental to, or connected with, the business of operating a commercial airport. He will be able to set conditions on the permitted activities—for example, limiting their scope to activities of a commercial nature or to activities carried out in certain countries or territories.

Mr. Garnier: Presumably, as Nottingham East Midlands airport is owned by the Manchester Airport Group, which is owned by 10 local authorities in Manchester, it must follow that my constituents who are affected by the business activities of Nottingham East Midlands airport will be able to vote in Manchester elections.

Dr. Ladyman: I do not think that that follows at all.

The permitted activities could include selling expertise in airport management and development, in air traffic management, airport security, specialised airport fire and rescue services, the ground handling of aircraft, passengers and freight and entering into joint ventures in connection with airports. Our aim is to allow public airport companies the opportunity to compete on a more level playing field in the UK and abroad.

Another measure in the Bill will revoke the role of the Secretary of State as point of appeal in aviation route licence cases. Such cases concern the allocation by the CAA of frequencies available to UK airlines in circumstances where restrictive bilateral aviation agreements between the UK and foreign countries prevent UK airlines from mounting all the services they would like to provide. Airlines make proposals to the CAA about how they would use the available frequencies, and the CAA makes a decision on those proposals, based on its assessment of which of them will bring the greatest benefit to consumers. The CAA gives effect to its decisions by conditioning airlines' route licences. An airline can at present appeal to the Secretary of State against a CAA decision, which is what we are proposing to remove by the reform.

Lembit Öpik: The Minister said that it would be possible for airports to share their expertise—for example, in air traffic management. What protection will there be for aircraft under 2,000 kg from having to pay high or additional charges? Increasingly, light and general aviation is being pushed out of the really large airports by their enormous, extraordinarily high costs, so we are squeezing almost out of existence a multi-million pound sector of aviation.

Dr. Ladyman: I do not have the answer to the hon. Gentleman's question. I can understand the concerns that he expresses. An airport's commercial decisions may well instinctively involve excluding lighter aircraft because it does not see them as such a big business opportunity. In so far as I am aware, the Bill will not change that when enacted, but I will certainly reflect on that and, if the position is different, I am happy to write to him.

Our intention is to streamline and modernise the process in the interests of consumers and the industry. The CAA is the body with the greatest expertise in assessing the consumer and competition issues on which the allocation depends, and we think it right that the CAA alone should make the necessary determinations. The current possibility of appeal to the Secretary of State adds a political dimension that is no longer appropriate now that the airline industry in the UK is mature and competitive. Experience suggests that, currently, airlines automatically lodge appeals against CAA decisions, as there is no incentive for them not to do so. That can delay the take-up of new services considerably—thereby disadvantaging consumers—to no good purpose in many cases.

We considered the possibility of retaining an appeal to an alternative body, such as the Competition Commission, but concluded that that would continue to slow down the process and burden airlines with extra expense, without adding any value to the assessment carried out by the CAA. We want consumers to enjoy the benefits of additional services with the minimum of delay consonant with a proper assessment of the relative merits of different airlines' proposals for services.

We are confident that the CAA's processes, including a public hearing at which evidence can be examined and questioned, will provide for a full and transparent assessment of the merits of the various proposals. Of course, it will be open to a disappointed applicant to seek a review of the CAA's decision through the courts. We consider that that is sufficient to ensure that the demands of regulatory accountability are met and to safeguard the rights of the parties under the Human Rights Act 1998. I am pleased to say that, when we consulted the airlines, the CAA and the Air Transport Users Council, the majority of those who responded supported the reform.

I consider this a well-balanced Bill. Like many other hon. Members, I have a growing airport in my constituency and I understand the tension that can arise in a community that wants the local airport to succeed while creating local wealth, but that is also concerned about noise and pollution. The Bill will help to resolve those tensions. Too often, airport operators, councils and communities are confused about what can and cannot be done to control the environmental impact of airports. The Bill will help to resolve that confusion. It is a positive Bill that has been much discussed and consulted on and it is fair to consumers, airport operators, airlines and local communities. I commend it to the House.

4.53 pm

Mr. Alan Duncan (Rutland and Melton) (Con): May I first acknowledge the courtesy of the Secretary of State for Transport in letting me know last week that he would have to attend the European Council today?

I thought that, when I got hold of the Bill, I might have some high hopes. I hoped that it might contain a coherent, strategic vision for the aviation industry in which environmental concerns would be tackled intelligently and effectively, thus enabling airlines to prosper, while becoming committed allies in achieving our environmental goals. What we have instead is a strange collection of miscellaneous pieces of mopping up.

The Bill is a hotch-potch of all the loose ends that Sir Humphrey will have been badgering Ministers about for years. It has a bit on noise, a bit on emissions and a bit on ensuring against corporate failure, but none of it coheres into a convincing overall shape. All its contents are predominantly permissive, thus leaving us uninformed about what will actually happen, and they do not constitute a comprehensive policy on either noise or emissions. By contrast, that is exactly what the Opposition have tried to do for the past few years, and my hon. Friend the Member for South Suffolk (Mr. Yeo) outlined our objectives very clearly when he held my job. First, we are utterly determined—

Dr. Ladyman *rose—*

Mr. Duncan: I am only just getting into my speech, but if the Minister really wants to intervene, I will give way.

Dr. Ladyman: The hon. Gentleman has made an important point. If the Opposition were so committed for years, why was the Conservative party's manifesto completely silent on the subject?

Mr. Duncan: We published detailed proposals, which I am sorry the Minister did not have the diligence to read. I shall reiterate exactly what we said. First, we are determined that Britain should be a full participant in any EU emissions trading regime covering the aviation industry, before—this is a crucial pre-condition—any expansion in runway capacity in the south-east is given the go-ahead. Secondly, it is our policy to review existing compensation arrangements so that they become much more generous to those people whose homes are blighted by any proposed airport development. This, after all, is the practical expression of a simple principle: that the polluter should pay.

Mrs. Dunwoody: Will the hon. Gentleman give way?

Mr. Duncan: Of course. I do so with deference.

Mrs. Dunwoody: The hon. Gentleman has said something very interesting. Does he assume that this approach will relate only to people who live in houses that are affected by decisions in the civil aviation sector, or is he thinking of extending the theory to cover people who are disturbed by roads?

Mr. Duncan: This is the Civil Aviation Bill, and I think, Mr. Deputy Speaker, that you would prefer me to confine my comments to aviation matters.

Thirdly, we are utterly opposed to the cross-subsidy of airport development costs from one airport to another.

The Bill does offer no coherent shape to those objectives; nor does it offer any similar or comparable approach. Its structure is muddled. Indeed, it is even self-contradictory. Its contents are completely piecemeal.

To be fair to the Secretary of State, he is the victim of previous Conservative Governments' successes. In the late 1980s, the predominant concern in aviation was to turn organisations that had hitherto been shackled by

[Mr. Duncan]

government into profitable enterprises that added to the nation's wealth. We have seen a dramatic increase in air travel, combined with the emergence of new airlines with almost bafflingly low prices for many tickets, internet purchasing and intense competition. Our airports have attracted massive investment.

For people on every level of income and of every background, the opportunities to travel are far beyond the dreams of earlier generations. People can book themselves flights on the internet over lunch and jet off on the weekend, and the cost of doing so lies within most people's reach. The openings for business have been equally monumental, and more than half the passengers on the new low-cost carriers are business men and women.

Passenger numbers have increased dramatically, up from 51 million in 1982 to 189 million in 2002, rising by 7 million in 2001–02 alone. BAA has invested more than £6 billion since it was privatised in 1987, and passenger numbers at its seven airports have risen from 55 million then to 127 million in 2002.

My sympathy for the Secretary of State and the Government begins to wane because the Government are prisoners of their own policies. In 2004, the Sustainable Development Commission published a report highlighting the contradictions between the Government's White Paper on aviation and their stated desire to deal with climate change. The Environmental Audit Committee described Ministers as being "superficial and vague" about the environmental damage done by Government policy. The Bill does not even begin to answer any of that.

Admittedly, other new problems have emerged, such as health concerns including deep vein thrombosis. Air traffic control has become ever more challenging as controllers have to handle growing congestion in our skies. The issue of security requires us to keep that essential step ahead of any evildoer who would threaten our safety. It is now blindingly clear that the greatest challenge is the threat to the environment caused by our unquenchable thirst for travel.

Mr. Jim Cunningham (Coventry, South) (Lab): Will the hon. Gentleman say something about the smaller airports such as Coventry, where environmental issues arise because they are trapped, for example, by a lack of parking facilities, traffic-flow problems and, more importantly, safety and noisy night flying? Does he have a view about these matters, which the people of Coventry have experienced as the airport has expanded?

Mr. Duncan: The people of Coventry are about to enjoy a delightful feast, as I am about to come to those sort of issues.

For the moment, I shall stick with climate change. Research conducted by the Tyndall Centre for Climate Change Research, which is published on the Friends of the Earth website, claims that at the present rate of growth aviation would wipe out all the emissions savings made by other sectors in the economy. If that is the case, it will be almost impossible for the Government to meet their stated objective of reducing CO_2 emissions by 60 per cent. from 1990 levels by 2050. Indeed, aviation on its own explains why CO_2 emissions have increased since the Government took over. Not even higher oil prices seem to be arresting the continuing growth.

The Government concluded in their White Paper that there was a desperate need for additional runway capacity in the south-east. With development at Gatwick blocked until 2019, if their demand figures are right, it can only mean looking at Heathrow airport, which is the favoured choice for the big airlines. What hampers development there is that heavy levels of pollution from the M25 already make air quality around Heathrow an environmental problem. In addition, Heathrow's new terminal 5 could generate up to 50,000 car trips every day across London and in the south-east. Ironically, it is the Government's proposals on Crossrail that may undermine both the existing Heathrow express and the imaginative new proposals for a link to Waterloo. If they fail to get that right, people will simply return to their cars. Instead of grappling with that, the Government have fastened on Stansted for expansion, yet that brings them into direct conflict with the established principle that there should be no cross-subsidisation by BAA.

The second runway at Stansted is expected to go into service by 2013. However, Stansted is not fully utilised now and operates no intercontinental business. Nine tenths of flights leaving Stansted are operated by Ryanair or easyJet. Those airlines are highly profitable, but airports derive income from passenger numbers, so the revenue that short-haul carriers bring is much less than the revenue from wide-bodied jets. Nobody believes that Stansted could possibly finance the hugely expensive expansion in infrastructure required for a second runway out of its own revenues. It can only happen with massive cross-subsidy by Heathrow and Gatwick.

So what do we have? A runway where the market clearly does not want it and little thought to proposals that could make a runway environmentally acceptable where the market does want it, and a professed desire to tackle climate change, but also a desire to expand capacity. In short, the Government have piecemeal preferences but no overall strategy. In the context of all that, the Bill is neither one thing nor the other. It is really a bit of everything and a bit of nothing, and it illustrates the confusion in which the Government find themselves on aviation matters.

The Bill allows airports to design and include stipulations about noise and emissions in their contracts with airlines. It is, to put it mildly, bizarre that the airport companies that have a fundamental interest in attracting airlines to use their facilities should also be the ones that set noise and emissions requirements for their customers. That is potentially deeply perverse. It is also bizarre, and something that compounds the peculiarity of the structure, that they should then be empowered with the authority to fine their customers for breaching criteria that they have no especial interest in enforcing. The Bill asks the poacher to police the gamekeeper—or perhaps it is better described as one poacher policing another. Although the Bill pays lip-service to both noise and emissions, it lacks an all-embracing regime into which the criteria would have to fit.

Graham Stringer: I am following the hon. Gentleman's arguments closely. He is long on analysis

and short on solutions. He says that airports should not be able to fine because they have no interest in policing aeroplanes that cause noise and pollution, but that scheme already exists at some airports. The only difference the Bill makes is to give airports the clear legal power to fine aeroplanes that go off track. That is what is new. Does he have concrete examples of the current scheme not working?

Mr. Duncan: My point is that the Bill is a piecemeal development that lacks an overall strategy.

With reference to noise, airports have had the power to fix charges since the Civil Aviation Act 1982, but for the resident on the ground, the current methodology for measuring noise is highly unsatisfactory. While noise is measured in decibels, the equivalent continuous sound level is an index of exposure to aircraft. It is a measure of the equivalent continuous sound level averaged out over a 16-hour day from 7 in the morning to 11 at night—not, I would point out, through the night—and it is taken during the peak summer months from mid-June to mid-September.

HACAN ClearSkies, the Heathrow voluntary organisation that campaigns on behalf of those affected by flight paths, believes—I think that it is right—that the continuous-level system underestimates aircraft noise in three key areas. First, averaging out noise can be misleading; secondly, low-frequency noise is ignored; and thirdly, the continuous-level classifications underestimate the level at which noise annoys people.

Let us take low-frequency noise, for example. The HACAN ClearSkies report claims that a significant component of aircraft noise is low frequency—typically the rumble, roar or drone of an aircraft. Including that measurement can increase the noise of a plane passing overhead by about 8 dB. More to the point, many of the improvements in aircraft noise are primarily concerned with mid to high frequencies. Put simply, decibels are an unsatisfactory measure of nuisance. It is the drone and roar of an aircraft that disturbs people, and that is never appreciated by the measures used. The entire methodology desperately needs review.

However, the Bill misses out altogether a more fundamental concern about the growth of aviation. It inevitably makes a distinction between designated and non-designated airports. In one sense, it makes a lame attempt to close the planning and regulation gap between the two. Designated airports are policed by the Secretary of State. The Bill merely permits non-designated airports to police themselves. I note in passing that, as my hon. and learned Friend the Member for Harborough (Mr. Garnier) mentioned, Nottingham East Midlands airport is owned by the Manchester Airports Group, which is owned by its Manchester local authority, but from an east midlands point of view, the local authority—as it is referred to in the Bill—that owns NEMA is not local if one lives in Leicestershire or Derbyshire.

For those airports that are not designated, there is almost no control over the expansion of flights and, crucially, there is almost no control over the growth of flights at night. The Bill would have little effect in addressing the mounting anger caused by the insensitive and uncontrolled growth of an airport such as NEMA. At the moment, a designated airport is controlled both on the ground and in the air. An airport that is not designated is controlled on the ground by planning law, but has almost carte blanche to do what it wants to expand activity in the air.

Mr. Todd (Lab) *rose—*

Mr. Duncan: Here is a champion of NEMA in many respects.

Mr. Todd: I would say that I am an objective observer living under its flight path. May I test the hon. Gentleman's theory? Is he saying that his party would designate NEMA and other similar airports?

Mr. Duncan: There is a growing case for designating such airports.

Let me say more about NEMA; it is a case in point. NEMA recently applied to re-route its flight paths, purportedly to improve safety margins in its air traffic control, and in so doing aroused no end of suspicion that there was a covert plan to increase night flights. That is exactly what is happening. Until a few months ago, I and my parliamentary neighbour, my hon. and learned Friend the Member for Harborough, rarely received a complaint about aircraft noise from the western end of my constituency and from the north and west of his. Now, I get them every day. My constituents are being woken up at 3 or 4 o'clock in the morning by noisy, low-level flights on their descent into NEMA. Nobody has any faith in the undertakings given about their required height or supposed flight path.

Mr. Todd *rose—*

Mr. Duncan: If the hon. Gentleman will forgive me, I will not give way. He will have a chance to speak later if he catches your eye, Mr. Deputy Speaker.

The Bill merely defines one aspect of the interrelationship between the airport and the airlines on noise and emissions, and there is nothing whatever that will definitely turn the legislative references to noise and emissions into the satisfactory control of either. Given that the airport is keen to expand, the supposed policeman—the airport—has an incentive to secure the opposite of the environmental discipline that we would like.

The matter has become the most heated local issue in my constituency, which is why today has seen the launch of what I predict will be the most popular local beer in Leicestershire. It is called Nightcap and is a brilliant brew from Belvoir Brewery, which is near Melton Mowbray. With your permission, Mr. Deputy Speaker, I shall send a crate of the stuff to the Secretary of State in an attempt to alert him to the importance of this growing problem.

Mr. Todd: Does the hon. Gentleman accept that he made remarks that suggested that his constituents' concerns about night noise were new to him and that such noise should perhaps simply be redirected to my constituency and that of my neighbour, which are clearly used to it?

Mr. Duncan: The hon. Gentleman might have such noise in his more urban setting, but it is much more punitive in a rural setting. However, we are seeing not only redirection, but massive expansion. The main problems are growth, expansion and the poor policing of flights as well as the redirection of the flight path.

A specific aspect of the overall problem of the growth of night flights, which I have raised before and which the Bill should address, is the deficiency of tracking, monitoring and reporting existing flights under the current system. We often need a record of who has gone where, but we can simply never get one. If we are to have a mature exchange about such an emotive issue, it is as well to do so based on the facts, but that is virtually impossible at the moment. If I want to know who is flying over Hungarton in Leicestershire at 4 am, where the plane was coming from and going to, what height it was at, what sort of plane it was and the airline to which it belonged, I would just get the run around. The Civil Aviation Authority, the National Air Traffic Services and NEMA all bounce responsibility from one to another, so none of us can readily establish the facts. My constituents are becoming increasingly enraged and so am I.

On 9 February in Westminster Hall, I asked the then Minister, the hon. Member for Staffordshire, Moorlands (Charlotte Atkins), whether we could establish a single focal point that was equipped to respond to any inquiries designed to ascertain the facts about what plane was where and when. She undertook to do so, but wrote to me just before the election to say that she could not do so after all. Residents affected by night flights thus have the injury of nuisance compounded by the insult of bureaucratic abuse. I look to the Minister and the members of the Bill's Standing Committee to find a cross-party amendment to address the problem and incorporate the solution in the Bill.

There are other aspects of concern in the Bill. One extraordinary provision empowers an airport to fine an aircraft operator that breaches any noise abatement requirements imposed by the Secretary of State. The Bill then allows the manager of the airport to spend those

"penalties for purposes which appear to him to be likely to be of benefit to persons who live in the area in which the aerodrome is situated."

The entire structure is a perverse balance of rights and obligations, and I know that my hon. and learned Friend the Member for Harborough will express his strong views on the matter if he succeeds in catching your eye, Mr. Deputy Speaker.

What purposes does the Minister think will "be of benefit"? We all know that airport expansion worries local people and can have a devastating effect on local house prices. However, many people have found that their houses have become unsellable, even though they live outside the areas covered by existing blight compensation schemes. Not surprisingly, they are among some of the most impassioned and organised campaigners. BAA is highly profitable and a more generous compensation scheme is long overdue, but the Bill is not at all clear about whether such blight schemes could be extended on the back of it.

The other main aspect of the Bill is emissions. In principle, the idea of allowing airports to take aircraft emissions into consideration when levying landing charges seems reasonable. Indeed, it is already happening and the Bill merely gives it legal backing. The problem is that the Bill just allows emissions conditions to be included in contracts—it does not determine the basis on which they must be included. We thus need answers to fundamental questions.

Why should airports profit from emissions—or, indeed, will they? Does the Minister not think it a little odd to give a private company the power to levy a punitive charge against its customers? Should those companies really be empowered to impose such sanctions? How will the emissions be measured? Will the charges come with sliding scales that measure and reward success, and what will be the determinants of success? Given the lead time for aircraft development, does the Minister not believe that a system that allowed airlines to manage their financial resources in a measured way towards cleaner aircraft would be a better approach?

Design noise and emissions are, to some extent, a trade off against each other. By decreasing one, one increases the other. Allowing airport operators to levy charges for both noise and emissions risks creating an impossible contradiction for the airlines, at least in the short term. We need to know how that will be unravelled.

The Air Travel Trust is the other main element in the Bill. As we all know, as a result of the collapse of Court Line it has been with us since 1977, when the repatriation of stranded travellers was a major political issue and the taxpayer footed the Bill. Nowadays, tour operators hold bonds against their collapse and the trust fund forms the top-up if the bond fails to cover the cost of repatriation. Without going into too much detail, in 1996, the fund went overdrawn, although it continues to make payments when necessary, with a loan facility guaranteed by the Government. The fund is approximately £10 million in deficit and pays more than £300,000 a year in interest.

Although we all understand that, if the Government have guaranteed the fund, they have to make good the shortfall, the system was designed in the 1970s and suited the circumstances of that time. They do not pertain today. Anybody who books a flight through a tour operator as part of a package is protected by the trust fund, but someone who does that through the internet or books accommodation and flights separately—via whatever means—is not. Fewer than two thirds of air travellers enjoy protection, compared with 98 per cent. in 1997. Just over half of all travellers enjoy protection but more than half the unprotected passengers wrongly believe that they are protected. Evidently, if we started from scratch, we would design a different system.

The Bill allows the fund to be replenished and it looks as if it will also pave the way—or at least, it could—for the Civil Aviation Authority's proposal to put a £1 levy on all UK-origin tickets until an insurance fund for that purpose reaches £250 million. If the fund is not extended to cover all ticket buyers for flights from the UK and is retained only for purchasers of package deals, such a proposal is patently absurd. However, if it is extended to all, there are some arguments for it. To put it succinctly,

it would cover everyone, ensure their repatriation in the event of corporate failure and get any Government faced with an army of stranded passengers out of a political hole. In terms of the premiums paid and the benefits offered, it is a relatively efficient economic model for such cover.

On the other hand, the incidence of the £1 levy would fall disproportionately on a company such as British Airways, which is probably the last company that is likely to fail and carries the most passengers. The Bill is all the more unappreciative of such a company given that BA, acting voluntarily or in the spirit of its membership of the International Air Transport Association, is most likely to make arrangements to fly people back anyway, travel trust or no travel trust.

Mrs. Dunwoody: British Airways may offer places where it has spaces available, but there is no guarantee that because an airline is large it will not go bankrupt. At least six major airlines are in extremely doubtful financial positions. British Airways does not happen to be one of them at the moment, but there is no guarantee that people could get back if they were abandoned.

Mr. Duncan: Let me map out a fundamental alternative scenario to the position that I outlined earlier. The world has changed fundamentally in the past 30 years. Travelling abroad has become commonplace and it is not as if people are going to the moon. They are far more versed in foreign travel and the choices that they face in doing that, and they are experienced consumers. In addition, the CAA is duty bound to establish that airlines are financially sound. We should therefore ask whether we need such a scheme in the modern world. Why should air travel be singled out as the one aspect of business that merits a special bail-out fund to cover the risk of corporate failure? I sense that the Government themselves are ambivalent about the merits of the fund, and we should use the Committee stage of the Bill to explore whether we should retain it.

This is a pretty messy little Bill with no strategic shape, no clear purpose and no easily predictable consequences. It gives authority to the Secretary of State to do all sorts of things, yet it is not at all clear what he will end up doing. We shall seek to improve it in Committee and reserve the right to amend it on Report, once we have found out quite what the Government intend to do.

5.20 pm

Laura Moffatt (Crawley) (Lab): I am very pleased to rise to support the Second Reading of this important Bill. As I look round the Chamber, I see a number of Members who have a particular interest in the aviation industry. This debate gives us an opportunity to discuss aviation issues—they do not come often—and to get to grips with the industry as it is now and the way in which we wish it to develop in the future. I firmly believe that the Bill offers us a good future.

Most of us, particularly those in the Chamber today, have a longstanding interest in aviation. As a child growing up, I used to listen to very loud aircraft just a couple of miles away from my home. I then became very involved with Gatwick airport, and with ensuring that it was a good neighbour to Crawley. Although the airport is now wholly within the Crawley constituency, we in our patch understand that its impact is felt far and wide. We must be clear, however, that not all its impacts are negative. There are many positive ways in which people are able to live their lives around it, because it provides good job opportunities and brings in a full range of business. For most of us, the airport provides a very positive experience.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am in a parallel position in relation to the so-called Nottingham East Midlands airport in North-West Leicestershire, which, as the provider of 7,[illegible] jobs, is certainly a major economic driver. I wonder whether my hon. Friend's experience is similar to ours, however, in that the greatest proportion of those who work at the airport live nowhere near its periphery or under its flight paths. Does not that have to be taken into account?

Laura Moffatt: I thank my hon. Friend for his intervention. Because of the very different set-up in my constituency, with the new town next to the airport, very many of my constituents work at the airport.

These debates often become polarised between those of us who are very pro-airports and those who appear to have difficulty in accepting their existence at all. It would be most odd if we were to ignore the fact that 36,000 people earn their living on or off the airport at Gatwick. Those people regularly travel into the airport and spend half their lives there; why would they not have an interest in ensuring that it was environmentally sound, that they were not being polluted while working there, and that it was surrounded by a decent environment in which to bring up a family? It is important, therefore, that we should not become polarised. We should look at the industry as a whole.

The Bill, far from containing a hotch-potch of subjects, as the hon. Member for Rutland and Melton (Mr. Duncan) suggested, brings together a number of important issues that our constituents wish to see addressed. That is why there is such a broad range of clauses in the Bill.

We already work in partnership with our airports. It has been made clear in earlier interventions that charges can already be levied if aircraft do not take off in the way they should, or do not behave as they should do at the airport. These measures are taken in conjunction with local authorities. When airports have a good relationship with their local authorities and their nearby residents, they can become a force for good and a decent neighbour, but we must tackle the most important issues that face us. That is why the major part of the Bill deals with emissions and allows airports to take action.

I am pleased to say that Gatwick airport already has a legal agreement in place that takes account of the environment, which ensures that airport users behave themselves and are decent neighbours to everyone around them, and that the airport operator can take action against them if they do not do so. The Bill strengthens those powers for airport operators, and there is no question but that they will use them, as what interest does an operator have in being loathed and despised by the community around it? Such a level playing field for designated airports will allow others to play their full and proper part in one of the most successful industries in the United Kingdom, which we should not forget.

[Laura Moffatt]

I know that my hon. Friend the Member for Vale of Glamorgan (John Smith) will be raising the important issue of the health of crew and passengers. The approach to that issue will be based on evidence, to make sure that people travel in the safest and most comfortable way possible. That is an important aspect of the Bill.

Mr. Julian Brazier (Canterbury) (Con): No one could challenge what the hon. Lady has said about health, but the Bill says that airlines should pay for that existing and ongoing activity. Why does she think that that is a good thing?

Laura Moffatt: Certainly, I have no difficulty with bringing together expertise and allowing airlines to ensure that they protect the people from whom they draw their wealth. I therefore see enormous benefits in using the working group to influence any such activity, and in making sure that airlines play their full and proper part, which might be a financial one.

John Smith (Vale of Glamorgan) (Lab): Does my hon. Friend agree not only that it is correct that airlines should have a levy on them to pay for health research and the aviation health unit at CAA Gatwick, but with the reasons for that? Airlines are unique among passenger carriers throughout the world in having no duty of care whatever for the health or well-being of their passengers. The levy is therefore a very small price to pay to protect the health of passengers.

Laura Moffatt: I thank my hon. Friend, and I know how strongly he feels about making sure that passengers' health is dealt with properly. I see the airline industry as involved in a true partnership, not only contributing to making sure that people travel decently and know that they will arrive at their destination safely, but using the best information, and the expertise of the health services, to the greatest benefit.

This is a good Bill, which not only considers aircraft emissions but encourages the use of public transport, which is fundamental. I refer hon. Members again to the work in and around Gatwick airport, which now has one of the most advanced dedicated bus systems around, which has transformed the way in which people travel to it, and which is being extended. Half the money for that came from the Department for Transport, for which we are deeply grateful, and the rest from partners, such as local authorities and the business community, which know that reducing emissions and getting people to an airport efficiently must be the way forward. That system, in its short life, has already seen almost 3 million passenger journeys. Increasing attention will therefore be given not only to reducing the impact of emissions on global warming but to addressing the real problems with emissions that communities face now.

Let me issue a plea to Ministers. Retaining Gatwick Express is a fundamental part of providing good rail access to the airport. It must continue to be a dedicated rail service that meets the needs of air passengers in particular.

I have paid a great deal of attention lately to the duty of the travel industry—I believe it should be a duty—to protect travellers if they become stranded or are unable to travel. Many speakers have mentioned that today. I think it right and proper for the fund that currently exists to extricate itself from its present difficulties, which is well within the scope of clause 9, and I ask Ministers to consider carefully whether the scheme should be expanded to cover all travellers.

This is a difficult issue. It is understandable when Members, especially those on the Opposition Front Bench, ask whether we really need to protect travellers, but as with the Bill to protect people from religious hatred, either we have a system that protects everyone or we have a system that protects no one. I firmly believe that a £1 levy on each member of the travelling public is the answer. I know that the Civil Aviation Authority is still consulting on the matter, and I fervently hope that a levy will be its preferred option.

I am proud to say that the Gatwick airport area contains many of the travel companies that take people on holiday to have a wonderful time. It is a joy to go through the airport every morning and see everyone preparing to go away. I understand, however, that many of those using tour operators will be protected, while people embarking on an easyJet flight, having booked hotels on the internet, will not—although, as was pointed out earlier, they have no idea that that is the case. That has been shown by polls conducted by the travel industry. Some 80 per cent. of people say that they would be prepared to pay between 50p and £2 to ensure that they receive such protection.

Obviously we need to protect travellers. This is a very difficult time. There is a competitive market out there, and, sadly, things happen. Major airlines which I support, particularly British Airways, do not favour such a scheme. I pay tribute to Sir Rod Eddington and his work to ensure that we can be proud of that airline again. It caused difficulties at Gatwick—we lost many aeroplanes and workers—but I understood that British Airways was trying to remain viable, and to go on operating well. Sadly, though, when things happen to the airline industry they do not happen just to some airlines. The dreadful events of 11 September did not affect a few airlines; they affected all airlines equally. If all airlines thought in those terms, that would be a much more valuable contribution to the debate than their saying, "Of course, such things will never happen to us. Only certain travel operators will be affected."

The Bill provides us with an opportunity truly to improve aspects of flying and of the aviation industry, such as the environment, emissions, working conditions and ground transport. I fervently hope that, in winding up, the Minister will say when we can return to the question of introducing a levy on passengers, so that we can ensure that the industry with little or no difficulty. We must also ensure that airlines are treated equally, and that we continue to have an industry that we can be immensely proud of, and which serves our communities well. It must continue to be good a neighbour, and we must ensure that all within it behave in such a way that we are able to support them.

5.36 pm

Tom Brake (Carshalton and Wallington) (LD): I begin by thanking the Secretary of State for contacting me to explain his absence from today's debate. It was perhaps uncharitable—although only slightly—of the

official Opposition spokesman to describe the Bill as an aviation paella: as a trail mix of aviation measures, to be washed down with a night cap of a pint of Special Brew. What is clear is that, as the hon. Member for Crawley (Laura Moffatt) said, aviation Bills do not land very often. So when one does, Members need to take the opportunity to examine it closely, to see whether it delivers on certain key principles. The Government have stated two such key principles: that "predict and provide" in aviation is dead, and that the polluter will pay. I am afraid to say that the Bill fails the first principle and that it partly fails the second, in that it in fact says that the polluter "might" pay.

David Taylor: Is not the reality that, in this context, self-regulation is absurd? It is equivalent to asking breweries to introduce measures restricting the consumption of alcohol, or to asking tobacco companies to restrict smoking. It is highly unlikely that the industry will tackle the problems that it sometimes causes with any great conviction.

Tom Brake: I agree. There is a clear conflict between the need of airport operators to secure business, and their adopting measures to control emissions or noise, which could discourage airlines from flying from the airport in question. Indeed, this point of view is not restricted to the hon. Gentleman and to me: a significant airport operator expressed it to me in a meeting, so it is clear that it is shared by such operators.

As the Minister said in his introduction, it is clear that many jobs—some 200,000—depend on the aviation industry. There has been a fivefold increase in air travel in the past five years, and a further threefold increase is predicted by 2030, with some 500 million passengers travelling by air. The aviation industry is of course key from a commercial point of view. By value, a third of the goods that the UK exports are transported by air.

Equally, however, there are environmental considerations. As a House of Commons Library briefing points out, in the year 2000 aviation emissions accounted for 5.5 per cent. of the UK's total carbon dioxide emissions. When one takes into account radiative forcing, that goes up to 11 per cent. It is predicted that, by 2030, aviation could be contributing about a quarter of the UK's emissions.

It would seem as though the Government have taken the issue on board and are aware of the need to have a sustainable aviation industry. For instance, at a seminar in February 2005, the then Transport Minister, the hon. Member for Staffordshire, Moorlands (Charlotte Atkins), stated that it was crucial that

"we balance the benefits of expansion against the environmental impact of air travel."

Clearly that is what the Government believe they are doing, but at the same seminar the then Minister said that the way of achieving sustainable aviation in the south-east was to provide a second runway at Stansted by 2012. I am not sure what definition of sustainable aviation the Minister was working from. Clearly there is environmental sustainability and commercial sustainability. One suspects that the two are not the same.

Graham Stringer: Before the hon. Gentleman leaves his overview of the Bill, it has been reported that he believes that the aviation industry should be reduced in size. Is that the view of the Liberal Democrats?

Tom Brake: I can confirm that the level of the increase that is projected—a threefold increase by 2030—is environmentally unsustainable and I do not believe that the measures put forward by the industry currently will be sufficient to tackle that matter.

John Smith: Where does the hon. Gentleman get his idea from that the industry will increase threefold by 2030? As far as I am aware, that does not appear in any official figures; double, maybe, but not triple.

Tom Brake: We could debate whether it is twice or three times, but we cannot debate the fact that the aviation industry is a growing and significant contributor to carbon dioxide emissions and to NOx emissions, or that currently there are no proposals on the table in the short term that address that matter.

Adam Afriyie (Windsor) (Con): It seems to me that hidden away in the Bill is the scope for an airport such as Heathrow to exceed the current movement limits. Is that the hon. Gentleman's interpretation?

Tom Brake: The hon. Gentleman's interpretation is identical to mine. The Bill creates an opportunity for the number of movements to be increased if that is so wished. As my hon. Friend the Member for Richmond Park (Susan Kramer) highlighted, what affects residents is very often the number of flights going overhead and the number of times they are woken up, as opposed to an overall noise quota, to which people do not respond in the same way.

Dr. Ladyman: The main airports in London—Heathrow, Gatwick and Stansted—are designated as those where the Secretary of State ultimately sets the rules. It would require the Secretary of State to be complicit in any change for those fears to be realised. The Bill makes it clear that the Secretary of State could only do so anyway after consultation with the local community.

Tom Brake: I will let other Members judge what they feel about the Secretary of State being complicit and whether that is something that may or may not happen in the future.

The Opposition spokesman said that the Bill tackled a number of issues; environmental, commercial and consumer issues, as well as noise, charging for the use of airport facilities according to aircraft emissions, and making noise control systems. On the commercial front, the issues include the removal of restrictions on local authorities so that they can compete with privately owned airports; the removal of the right of appeal in the allocation of route licenses; the matter of requiring the Civil Aviation Authority to provide assistance in relation to the health of both crew and passengers; and the levy on air travel organisers to replenish the fund.

On the environmental issues, and given the points that have been made, it is fair to say that the consensus is that the Bill does not go far enough in relation to the

[Tom Brake]

environment. The fact that the airport operators and airlines are happy with the environmental provisions suggests that the Bill does not push the boundaries far enough. Members will have seen the representations from the Campaign to Protect Rural England, for instance, which believes that the Bill does not address the big environmental issues and that it is mere tinkering, given the scale of the challenges that aviation poses. The CPRE also suggests that the CAA should publish annual figures showing the climate change impact of all flights departing from the UK. That may be outside the scope of this Bill, but it might be worthy of discussion in Committee at least.

As other hon. Members have pointed out, the CPRE has legitimate concerns about how it will be possible for Coventry airport to enforce noise and emissions controls, given that one of its main operators is Thomsonfly, which also flies from the airport. Has the Minister had any discussions with the Coventry airport operators about how the provisions will operate in practice?

AirportWatch has also provided a submission, and its main concern is that increased powers will be given to local airports. Some of the lobby groups agree that airport operators should not be given further powers, because they do not exercise the powers that they have now for the benefit of the local community, nor are they responsive to the local community's concerns. AirportWatch has also highlighted the point about possible increases in the number of flights as a result of the changes, which the hon. Member for Windsor (Adam Afriyie) mentioned in his intervention. It also picked up on the point about the need for an independent monitoring and regulatory system to assess noise levels.

Other hon. Members have referred to HACAN's concerns. While the CPRE and AirportWatch are of the view that the Bill does not go far enough, HACAN thinks that it goes too far in removing the separate movements limit. HACAN also echoes the concern of others that that is a subterfuge to "reduce" the environmental impact of the third runway so that it becomes justifiable.

The Demand campaign group has also highlighted the issue of Coventry airport and asks how it would be possible for an airport that is partly owned by an airline to impose fines on that airline, so that it would in effect be fining itself. According to Demand, Coventry does not even have a system for keeping track of noise at present.

As for the commercial implications of the Bill, it is true to say that supportive comments have been received from all sides on the proposal to allow local authority airports to compete. The one body that one thought might have opposed that proposal—BAA—is comfortable with the idea and does not see a problem with it.

As for the removal of the right of appeal, again, no objection has been raised. It would be interesting to hear from the Minister when she sums up precisely what she thinks about the regulatory impact assessment's idea that there will be a marginal cost increase, because when people no longer have a right of appeal, they are likely to seek judicial review. Has any figure been attached to that marginal extra cost? Clearly, such an increase would be passed on to air transport users.

On the aviation health unit, BAA has expressed measured concern, but broadly speaking, I believe that the idea has received support.

Finally, there is the issue of consumer protection and the creation of the air travel trust fund levy. As other Members have said, this has to be all or nothing. The public believe that they are covered by insurance wherever they obtain their flights, and either they must be covered, and everyone who provides flights must contribute to a fund that covers people if their tour operator or airline goes out of business, or the public must be told that they are not guaranteed to be covered by anyone, unless they take out private insurance for themselves.

It is difficult to have an intermediate position, whereby all consumers believe that they are covered but are not, and only one sector of the industry is required to contribute. I certainly support the idea that the fund should be rebuilt, but I also believe that its scope should be extended so that everyone is genuinely covered by it, through the £1 contribution that the Civil Aviation Authority has proposed.

To conclude, I agree with the CPRE that the Bill only tinkers with the scale of the environmental challenges posed by aviation and its associated noise and emissions. The Liberal Democrats will not seek to divide the House tonight, but we will attempt to insert some backbone in the Bill in Committee. Freedom to fly must be balanced by freedom from environmental damage. At present the Bill does not balance those freedoms, and our objective is to ensure that by the time it receives Royal Assent, it does exactly that.

5.52 pm

Alan Keen (Feltham and Heston) (Lab/Co-op): This is a Bill of bits and pieces, but sometimes it is necessary to cover all the bits and pieces and bring them together. It is not like me to volunteer for a Standing Committee, but I have already asked the Whips if I can be on this one, because I think that the interest will be in the Committee stage.

As others have already said, what is missing, not only in the Bill but in general, is an overall strategy on air transport. For instance, the shadow Secretary of State said that the non-designated airports had no control over flight numbers—but those of us who live close to Heathrow airport feel that we have no control over flight numbers either, because as soon as they get near the limit, the limit is taken away.

We have not given way on runway 3, because the air quality standards have to be met, and we will not step back from that battle.

David Taylor: I am sure that my hon. Friend would show due gratitude for the fact that at least Heathrow airport has a cap on night landings, which people who live near Nottingham East Midlands airport would dearly love.

Alan Keen: We—when I say "we", I am talking about my hon. and special Friend the Member for Brentford and Isleworth (Ann Keen), myself and the people on the council in Hounslow, the area that we cover—are concerned about the Bill because of what it does not say. We think that it may make it possible to increase

numbers, which is why the Committee stage will be particularly interesting. That was a lovely smile that I just got from the new Under-Secretary of State for Transport, my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck). I welcome her to her place today, and I can tell her that although I have been in the House for 13 years, and have lived close to Heathrow airport for 40 years, if she ever asks me for any advice on Heathrow, it will be the first time that any Minister has done that.

Not only have I lived within six miles of Heathrow for 40 years, but for all of the 30 years before I was elected in 1992, I worked in industries close to the airport and often dealt with air transport companies, and with BAA itself, as customers. I know the industry pretty well, my constituency contains the largest number of employees at Heathrow, and my constituents suffer the greatest noise—more noise than anyone else, by a very high percentage. I therefore have a special interest in this subject.

We still have not given way on runway 3, so I shall comment on some of the arguments about the expansion or non-expansion of Heathrow. I speak as a friend of Heathrow airport. I am very proud of the air transport industry, and until runway 3 was suggested I had always supported expansion, within the present boundaries. I am not the only Member of Parliament who has always supported previous expansions but has changed his or her mind since the runway 3 proposal was made. It is worth listening to all of us who have changed our minds about continuing expansion.

There are some people who always oppose expansion of Heathrow, and I am certainly not one of those. HACAN has changed out of all recognition. I hope people will not mind me saying this, because I have told the organisation about it before, but I used to class those in HACAN as nutters. I remember going to its annual general meeting when I was campaigning for the 1992 election. It holds the AGM where it is based, in Sheen, rather than in Cranford, Heston or Hounslow West, where the real noise is. The chairman then was not the same person who is chairman now; the present chairman and vice-chairman are helping to build it into a really good campaigning organisation. At that AGM, the then chairman said to me, "I don't know why you can't come out and condemn terminal 5." I said, "Let me ask you a question: do you support terminals 1, 2, 3 and 4?" He refused to answer, because if he had been honest, the answer would have been that he did not support any terminals at Heathrow airport—unless, of course, he was flying from it, I presume.

I am not a protester, but a friend of the airlines. Some people accuse me of sitting on the fence over terminal 5, but I was the only Member of Parliament who took the trouble to make a submission before the inquiry started, so I was entitled to call witnesses, which I did, from both sides of the argument. I could call people who lived under the flight path, so that their opinions did not have to be heard through legal representatives.

I have said this before, but it is worth saying it again: those who oppose the Government often criticise them for not consulting enough, but there was a big difference between what is happening now and what happened with terminal 5, when the previous Government were in power. The start of the whole process was just the submission of a planning application, so those who were against it were put on the defensive straight away. At least with runway 3, consultation was announced, so everyone was on a level playing field when people started to put forward their views.

What will the future of Heathrow airport be? Before I was elected in 1992 I spent the whole of my career in the private sector, so I recognise the need for competitiveness to drive down costs. However, I am also a Labour and Co-operative Member of Parliament, and I understand the co-operative ideology as well. It is essential that consumers be consulted—and in this case, that means those who live around Heathrow and suffer the noise, as well as those who fly, who have already been mentioned many times today.

If there were ever a case for the Government to play an effective part on behalf of the electorate, it is here and now with respect to the possible expansion of Heathrow airport. Those who live close to Heathrow understand the issues much better than those who do not live close to it. I have heard people saying time and again that one gets used to the noise and then it is no bother—but that is not possible with aircraft noise. It is more than enough if the noise wakes people up. I have also lived near railway sidings where trucks are shunted through the night and I believe that it is possible to get used to that sound, but it is not possible to get used to aircraft noise, particularly at night. My two grandchildren, aged one and three, live right under the flight path of the northern runway in Isleworth, and it is horrific. Many people already living stressful lives are easily woken and then find it impossible to get back to sleep.

I am not trying to make the point that we should get rid of Heathrow airport. I have already said that there are more than 65,000 permanent jobs and many thousand more in companies surrounding Heathrow in the freight, engineering, airline food and other supporting industries. We desperately need Heathrow airport, but it seems to many of us that the Government look too much to the airline industry and listen not enough to the people who live close by. Many of my constituents work at Heathrow, but suffer from a tremendous amount of noise. Anyone who has seen photos or newsreel of aircraft flying over the top of chimneys has seen Cranford. Waye avenue is adjacent to the airport boundary. The Government, however, do not take enough notice of residents.

When the previous Secretary of State made a statement about airport policy, I specifically asked whether he would help with relieving traffic congestion, particularly around the junction where the A4 crosses the A312—one of the busiest junctions in the country. It is currently served by a roundabout, which leads to tremendous queues, particularly during the Heathrow rush hour and we need to be aware that the Heathrow rush hour extends much longer than the average one. People who live close to Heathrow make more fuss about the traffic because they know that something could have been done about the problem. It would take only a tiny fraction of the profit that comes into Heathrow to put the road junction problem right. The refusal to do anything about it time and again means that people lose trust. Yet if we are to build up our air transport industry, it is important that people trust the industry, but the prospect of runway 3 is moving people over to the other side of the argument.

[Alan Keen]

What is the big problem with Heathrow expansion? It is a story that has afflicted British industry over the last 30 years—short-termism. There is no question but that Heathrow airport can be expanded with the addition of runway 3, but at quite a heavy cost to local people as well as a financial cost. If that runway goes ahead, however, it will mark the limit of what could ever be sustainable at Heathrow because the whole area is so built up. It is a short-term viewpoint to believe that Heathrow can be expanded for a relatively short period. We really need a new airport. We cannot go on as we are. I can understand the industry itself not wanting to find an awful lot of money for a new airport, but the failure to build one will cost a lot more in the long run.

I can understand why decisions are made on a short-term basis. Rod Eddington did a magnificent job at British Airways, but he is already on his way. He is not taking a long-term view of things, as he is going back to him home country of Australia. We must understand that people are important. If we continue to ignore them, the industry will not get away with it.

One good thing about the Bill is that it recognises that the polluter should pay. I believe that it is the first time that that principle has gone down in print in a Bill. If the polluter has to pay, it will become increasingly difficult to sustain Heathrow airport at its current expansion rate. Something else will have to be done in readiness.

I have been asked a few times by various people whether I want Heathrow to be a desert. Air transport is either going to expand or it is not, so I would certainly love to be the owner of that desert over the next 20 years. Whatever happens elsewhere in the UK, the notion that Heathrow could become a desert is surely put forward by people who are either stupid or being paid to say it. I rather suspect that cash has something to do with it.

I read an interesting article in *The Guardian* today about Chinese tourists, who were complaining about the £50 charge for a visa—but they are still coming. Some people say that measures will be taken to stop expansion because of the environmental damage worldwide, but does that mean that Chinese tourists here this week will be the last to come here from China? I do not think so. There are already 0.5 million middle-class people in India. We have to look at the situation more widely and rid ourselves of a short-term vision. I was heartened by the penalty clauses in the Bill, because they amount to recognition that the polluter should pay.

I shall finish shortly as other hon. Members want to speak, but I want to come back to my own constituents. The Cranford agreement has already been mentioned. When the wind blows from the east, planes have to take off towards the east—it happens about 25 per cent. of the total time in a year—and the north runway is not used for take-offs because my constituents live so close to the end of that runway. It is different for normal take-offs to the west and from about 3 o'clock the other runway is used, which gives people a break, but when the planes take off to the east, the southern runway is used all the time. That is the basis of the Cranford agreement: it is an informal agreement, but it has applied for 50 years.

I would like to table an amendment that would make the Cranford agreement a permanent one in order to provide protection for my constituents who have already given such a lot to the air transport industry. The London borough of Hounslow and HACAN would like the Bill to be amended in Committee and I hope that the Government will listen to us because we have had considerable experience. For example, I spent the 13 years before I came here working half a mile from the touchdown point, directly under the southern runway at Heathrow. It is pretty horrific. It may not be too bad when things are going well at work, but when under stress, it is almost impossible to cope with such noise. We cannot go on and on ignoring the problem. As I said, we hope that the Government will listen sympathetically to the case for the amendments, which will attempt to put some conditions down. The Bill looks good in places, but what it does not say is also important.

6.9 pm

Mr. Edward Garnier (Harborough) (Con): The hon. Member for Feltham and Heston (Alan Keen) will forgive me if I do not follow him too far into the Heathrow story. I accept, of course, that noise from aeroplanes is acutely disturbing and distressing to people who live right by an airport. What concerns me and, I suspect, many of my parliamentary colleagues from Leicestershire—I am glad to see the hon. Member for North-West Leicestershire (David Taylor), and I refer also to my hon. Friend the Member for Rutland and Melton (Mr. Duncan), the shadow Secretary of State for Transport—is the noise and pollution caused by aircraft a little further from the airports themselves. The hon. Member for North-West Leicestershire has wholly within his constituency Nottingham East Midlands airport, which is strangely named, being wholly within Leicestershire and wholly owned by Manchester as well as having—surprise, surprise—a Derbyshire postcode. That, of course, allows all sorts of people to avoid responsibility for what it does to, for example, my constituents.

David Taylor: Will the hon. and learned Gentleman dissociate himself from the observations of our geographical neighbour, the hon. Member for Rutland and Melton (Mr. Duncan), who has on occasion said that he regrets changes in flight paths that have brought noise to people in the county of Leicestershire who were not familiar with it and that that noise should perhaps be returned to people in urban areas who were better able to endure its impact?

Mr. Garnier: I did not quite hear the hon. Gentleman. If he intended to refer to the hon. Member who represents Melbourne—that is to say, the hon. Member for South Derbyshire (Mr. Todd)—I can say that he and I have had our agreements and disagreements about activities at Nottingham East Midlands airport. If he intended my hon. Friend the Member for Rutland and Melton, I can say that my hon. Friend was, in essence, saying that we required a balance of good behaviour from the airport and understanding among those affected by its activities. What we are not getting at the moment—I think that the hon. Member for North-West Leicestershire would agree—is that sort of balance.

I want briefly to put forward a plea on behalf of a constituent, Mr. John Neilson, the chairman of the LEI group, which is a mixed travel agency and tour operator business operating in Market Harborough and

employing about 30 people. He is primarily concerned about the air travel trust arrangements in clauses 9 and 10 of the Bill. He would like the introduction of the £1 levy system advocated by the Federation of Tour Operators and the Civil Aviation Authority. When the Minister responds, I hope that she can do a little better than her hon. Friend the Minister of State did in opening the debate and give a little more encouragement there.

The more difficult part of the Bill is the first four clauses, dealing with the introduction of amendments to the Civil Aviation Act 1982 in relation to charging and the imposition of penalties. There is, no doubt, some good sense in the amendments to section 38 of the 1982 Act, which would allow airports to fix charges in respect of aircraft or classes of aircraft by reference to a number of things, including the amount of noise caused or the nature and extent of any inconvenience resulting from that noise. It may well be that those who are fortunate enough to serve on the Standing Committee will have to come to grips with what expressions such as "inconvenience" actually mean in practice. More to the point, they will have to deal with what "vicinity" means. The charging arrangements will allow an airport to take into account pollution

"at any place in or in the vicinity of the aerodrome".

My constituents, who live between 30 and 50 miles from Nottingham East Midlands airport, have a different view of "vicinity" from that of the constituents of the hon. Member for North-West Leicestershire, who live right by it. I hope that the charging system will allow for my constituents, who live further away but who are inconvenienced by the airport, to be taken into account.

Mr. Brazier: I am grateful to my hon. and learned Friend for his giving way during his powerful speech. May we, perhaps, hope that the definition of "vicinity" will be wider than that given in the Licensing Act 2003, which effectively cut out even people living really close to premises from having any say in consultation?

Mr. Garnier: I suspect that we can hope all we like. We must await the Government's response in due course, but it is important that they should, both in Committee and later, at least take on board the points that my hon. Friend and I have made.

I want to concern myself not so much with charging, which must simply be a matter between the airport operators and the airport users, but to ask the House to consider rather more carefully than the Minister of State perhaps invited us to do earlier the imposition of penalties. The Government are permitting the justice system to be privatised. That is strange from a Labour Government, who, having objected to privatisation of the prison system, seem to be embracing with great enthusiasm the privatisation of the justice system. They are permitting private companies—public limited companies—to impose penalties on their customers that should more properly be imposed by a state organisation, namely the court system or something equivalent to it.

I find it amusing, if not surprising nowadays I am afraid, that a Labour Government are introducing a private justice system. Had it been introduced by a Conservative Government, those on the Labour Benches would be hopping mad. There we are: we live in strange and interesting times.

Assuming that the parliamentary arithmetic pushes that aspect of the Bill through, we are to have it. The Government should, however, be a little careful about its effect. I am wholly unconvinced that a private justice system will deliver the sort of arrangements that will police noise and emissions according to the best intentions of those who seek to bring in new powers. Nottingham East Midlands airport is going to be one of the policemen or judges exercising the private justice system over its customers, and the news section of the NEMA cargo division website states:

"Bill Blanchard, NEMA Cargo Development Manager, said: 'the results for 2004 are very encouraging. NEMA has strengthened its position as the UK's No. 1 "pure cargo" airport and overtaken Gatwick to become the second largest cargo airport in the UK and the 13th largest in Europe. These figures show that industry is using NEMA more and more to ship their "just in time" products by air. NEMA ha always been a regional asset and now has a growing national role to play in this business'."

That Mr. Blanchard, of course, is the very same Mr. Blanchard who was instrumental in seducing air cargo services based in Brussels to move to NEMA. He was happy to say, on the website that

"when NEMA Cargo Manager Bill Blanchard approached ACS with a proposition he received a warm welcome."

What sort of justice system is it that will allow the commercial managers of airports to trawl around the air industry marketplace inviting customers in to use their airports so that they may move up the table of high-performing or high-volume cargo airports? What sort of justice system is it that will allow those sort of organisations then to impose penalties on the very people whom they wish to use their airports?

David Taylor: In short, is the hon. and learned Gentleman making the point that the powers to direct non-designated airports, such as Nottingham East Midlands airport, to establish, amend or revoke penalty schemes should be vested not in the airport itself but at worst in the relevant local authority and at best in the Secretary of State for Transport?

Mr. Garnier: The powers should be operated by some dispassionate agency, some third party. Were the hon. Gentleman or I to have the misfortune to be caught speeding or shoplifting—*[Laughter.]* As he is a justice of the peace, I say that carefully. We should not expect the decision about whether we should be imprisoned or fined to be made by the shop that we had invaded; it would be made by the courts. So it is that when an airline abuses the regulations and the limits as to noise or emissions, it is the very user, or beneficiary, of that aircraft who imposes the penalty. In an ideal world, it would be perfectly possible for Nottingham East Midlands airport to arrange a system whereby it would approach that question with some degree of dispassionate disinterest, but I find it extremely difficult to envisage such circumstances when we have Mr. Blanchard and his friends from NEMA trailing around Europe trying to attract more and more business.

Laura Moffatt: Can the hon. and learned Gentleman tell us what assessment he has made of airports or operators with the power to penalise aircraft that do not obey the existing rules? The system that he is talking about is in operation at designated airports.

Mr. Garnier: The hon. Lady will know from her experience that Gatwick is a designated airport under the Civil Aviation Act 1982. I suspect that she would not lobby the Secretary of State for Transport to have Gatwick undesignated. I am sure that she finds that the arrangements whereby the Government, acting as an honest broker, set the limits and the framework within which noise emissions, numbers of aircraft and the times during which aircraft land at Gatwick, Stansted or Heathrow are the best way. If she were required to get rid of that system, I suspect that she and her constituents would be most displeased. What I am after is equality; I want my constituents to have the advantages that her constituents enjoy, knowing that the Government and the Secretary of State underpin the arrangements governing the airport.

The hon. Lady may not realise that Nottingham East Midlands airport already has more night flights between the hours of 11 pm and 7 am than Heathrow, Gatwick and Stansted, yet we are wholly unprotected. Our only protection so far is the planning authority at North West Leicestershire district council. The shop at NEMA probably has a higher turnover in a week, certainly in a month, than the council's revenue budget of about £10 million a year. There is no equality of arms, so can it seriously be suggested that NEMA will be in the least bit bothered by anything other than proper control by the Secretary of State? Can it seriously be suggested that a high-powered, well-driven, well-managed commercial organisation will be interested in fining its customers for slipping outside the air routes, making too much noise or pushing out too much filth? I do not think so.

Dr. Pugh: The hon. and learned Gentleman makes a good point about the lack of an independent appeal, but the view of many Members that airports would not act impartially probably comes from the provision that states that when penalties are made, payments are made to the community

"equal to the amount of those penalties".

One could argue that an airport operator would not have a vested interest in acting against the rules as strictly, or partially, interpreted.

Mr. Garnier: I am not sure that the hon. Gentleman's point defeats my argument. As he has drawn our attention to subsection (8) clause 3, I shall deal with it. It states:

"A relevant manager who receives penalties under a penalty scheme shall make payments equal to the amount of those penalties for purposes which appear to him"—

not to the community at large, but to him—

"to be likely to be of benefit to persons who live in the area in which the aerodrome is situated."

What do the words "benefit to persons who live in the area" mean? Will my constituents who live 50 miles away from Nottingham East Midlands airport be allowed to apply for compensation for property blight or to put in double glazing? Will they be allowed to apply for compensation for the psychological distress that they suffer endlessly from sleepless nights as aeroplanes fly over their houses every 90 seconds between 11 o'clock and 7 am? No doubt the hon. Gentleman knows that the European Court of Human Rights already recognises sleep deprivation as a disbenefit, but I have a suspicion that that will not be taken into account because NEMA and all the other fellows who will be dealing with this private justice system will narrowly define the words "area", "vicinity" and "benefit". Although the hon. Member for North-West Leicestershire may see some improvement in the double-glazing regime that pertains in the villages around Nottingham East Midlands airport, no such benefit will follow in the south-west, south-east and north-east of the county.

My point is simple: if the Government want to be taken seriously in their desire to control air pollution, air noise and night noise they had better come up with a more effective set of policing arrangements than they are providing in the Bill. I shall end my speech, as other Members want to talk about their airports and will have much to say. The Government must get a grip on those who are wholly unaccountable to the people of Leicestershire, as I pointed out in an intervention earlier. The airport is owned by 10 local authorities in Greater Manchester—the former leader of Manchester city council is in the Chamber. My constituents cannot vote for those authorities and they cannot buy shares in the company. All they can do is send letters of complaint that their houses are being overflown at night and receive in reply the kind of meaningless waffle to which my hon. Friend the Member for Rutland and Melton referred in his opening speech. The Government should wake up. If they do not, it will lead to the dismissal of yet another aviation Minister. We have already seen off two, and we are not against seeing off another if we do not get what we want.

6.27 pm

Graham Stringer (Manchester, Blackley) (Lab): In these debates, I always feel that that I am declaring interests that I do not really have. I was a board member of Manchester Airport plc for 13 years. I chaired the board on three occasions, once for a whole year, and represented the majority shareholder, Manchester city council. However, I have never been to Nottingham East Midlands airport and, when I was on the Manchester Airport board, we had no financial interest in NEMA.

I do not understand the point made by the hon. and learned Member for Harborough (Mr. Garnier) that people in Leicestershire, Nottinghamshire and Derbyshire are at a disadvantage because Manchester Airport plc is owned by 10 local authorities. How, apart from the ability to purchase shares, is that different from many privately owned airports? As I have seen in Manchester, being a responsive public body has many distinct advantages in comparison, for example, with Liverpool airport. That airport is owned primarily by Peel Holdings, but in the final analysis by Great Hey, in which one cannot buy shares, so people would be at a further disadvantage if an airport were owned privately rather than by public authorities.

David Taylor: At one time, Nottingham East Midlands airport was owned by the local authorities of Derby city, Derbyshire county, Nottingham city, Nottinghamshire county and Leicestershire county. At that time, the airport authorities showed greater sensitivity to the needs of the community and balanced them with commercial considerations. It was hoped

that, when the Manchester Airports Group took over, there would be a similar improvement in sensitivity but we have not yet seen it.

Graham Stringer: I have two responses to my hon. Friend's point. First, it was nobody's decision but those local authorities to sell their shares. Secondly—I hope that this is more conciliatory—when I was listening to the speech made by the hon. Member for Rutland and Melton (Mr. Duncan), I was concerned that people in Derbyshire, Leicestershire and Nottinghamshire find it difficult to identify a noisy aeroplane passing at 4 am. In a country where we and the Government believe in open government, it is strange and perverse that it is impossible to find out which aeroplane is making a noise. If I am chosen to serve on the Standing Committee, I intend to use my best endeavours to help to do something about that, as it is not a reasonable position. Often, it is an old aeroplane going off its flight path that makes the most noise. If people could identify it—under the Bill, they could not only identify it but fine those involved—it would go some way towards ameliorating the situation. That is an offer to help hon. Members who have that concern.

Before I speak about the clauses that deal with noise, air pollution, public airport companies and the air travel fund, I should like to do what other hon. Members have done and put the Bill in the context of the aviation industry, but I shall do so from a slightly different perspective. Hon. Members have said already that about 600,000 jobs depend on aviation and that it contributes just over £10 billion to our gross domestic product. Its impact is almost equivalent to the whole car manufacturing industry and double the size of the aerospace industry. It has a profound effect on the economy. When we think about aviation, we usually think of the 180 million to 200 million passengers who fly each year, but we tend not to focus on the fact that 20 per cent. by weight of this country's exports go by air. Many industries depend on getting their component parts by just-in-time flights into our economy. The air freight cargo business has grown almost threefold in the past 10 to 15 years. It is a dynamic part of the economy.

I make those points because, hon. Members often talk about their own aerodrome or airport in such debates. On many occasions, they talk about the problems of noise and air pollution that are inevitably associated with airports, but if this country is to earn its living as part of an increasingly globalised economy, international aviation is as important to us as the internet. We cannot compete with the growing economies of India and China, let alone with the United States and the European Union, if we do not support our aviation industry and help it to continue to be successful—and by successful, I mean to grow.

I suspect that it is not well known that this country's aviation sector is the second largest after that of the United States—it is vital to us—so I start from almost the opposite point to some other hon. Members: we must succour and support the aviation industry and then look at how we deal with many of the effects. If we are to have a successful freight and cargo industry, there must be night flights. Given the industry's current structure around complicated integrators, it is simply not possible for this country to compete if we do not have night flights and, probably, an increasing number of them. How do we deal with that? We do so with compensation, quieter aircraft and by controlling pollution. That is what we should be debating, not whether we take this country from the forefront of one of the most exciting and important industries in the world economy.

Mr. Prisk: The hon. Gentleman is making a reasoned and cogent argument. I certainly would not want this country's aviation industry to be disadvantaged unduly, but does he share my growing concern, which is held by others in my constituency, that the industry needs to accept in full principle that the polluter pays?

Graham Stringer: I do. I accept that principle, not just for aviation but for other parts of the economy. It is a profoundly good principle. Sometimes, working out precisely what it means is the difficulty and I will point out what I believe is a paradox in dealing with air pollution.

The aviation industry is a powerful contributor to the economy. It is also, because of its history, unusually structured, and it has some peculiarities, not least of which is the structure of the CAA. Forty or 50 years ago, aviation—the airports and the airlines—was almost wholly publicly owned around the globe. It was the Government's business. Still, if people want to organise a flight between this country and Singapore, they must have what is in effect an international treaty. That is odd in an industry that is leading globalisation and we should work towards removing that situation. We have seen the economic benefits of liberalising the skies over Europe. There has been a terrific growth in the economic impact of airlines since the skies over Europe were made free in 1992.

David Taylor: My hon. Friend talks about freedom. Does he accept that one of the characteristics to which he refers in saying that aviation has an odd structure is that it is a tax-free zone of the sort that Al Capone would envy and admire and that something needs to happen in relation to that? That certainly cannot be done in a single country or possibly even a single continent, but much more progress needs to be made before the polluter genuinely does pay and the industry, which contributes about 1 per cent. of our GDP, meets its environmental downside costs.

Graham Stringer: I do not accept that the industry is a tax-free zone—it is not—and it contributes almost £1 billion through the tax paid by aeroplanes using airports. I prefer to think of it as part of the travel industry and, unlike other parts of the travel industry, it operates and pays some taxes without a subsidy.

On my hon. Friend's other point, if the view is that extra taxes must be imposed to deal with some of the aviation industry's environmental problems, a global solution is the only way to do so, otherwise we would put our economy at a severe disadvantage.

The industry is strange because of the way that it has developed historically. If we looked at the CAA in principle, we would not put an economic regulator together with a body that is responsible for safety—that goes against most basic first principles—but as a member of the Select Committee on Transport, I have

[Graham Stringer]

asked aeroplane pilots, airline and airport operators and ex-members of the CAA about that, and they say that it does not seem to cause any problem at present. It is useful to use that as an analogy in the context of the hon. and learned Member for Harborough (Mr. Garnier) finding it strange that airports can fine aeroplanes that fly off path. It is probably strange but, where that scheme exists, it probably works.

Mr. Brazier: The hon. Gentleman is making an interesting speech but surely he has missed the point: in many instances, the airport has no incentive to penalise those of its customers who fly off path. That is why there is a strong case for an independent body that has some responsibility in that area.

Graham Stringer: I hope that I have not missed the point. Having sat on the board of an airport company, I say that the hon. Gentleman is simply wrong. If someone wants to have a successful airport company and wants to expand, they need the support of the local community. Those people need to know that there is concern about their concerns. One of the ways of demonstrating that is to fine—not in an ad hoc or arbitrary manner—in a reasoned way so as to reduce unnecessary inconvenience to people who live nearby. My experience is that airports do that even where there is no financial benefit for them.

If the hon. Gentleman does not believe in such schemes he should go beyond my experience in Manchester to San Francisco. He might want to go to San Francisco anyway because it is a good place to visit. The airport there runs an extraordinarily good scheme, at its cost, that fines aircraft that go off course. It is supported by the community and has reduced the number of complaints. There is evidence in the UK and abroad that airports can pursue such schemes successfully without there being an intermediary between the airport and the community.

The aviation business has been privatised and liberalised, but the civil service has a residual memory of the time when British Airways was effectively part of the Government. It was nationalised, as was the British Airports Authority. That background sometimes distorts decisions on the aviation industry.

Those of us who are involved with the airports at Birmingham, Manchester and Glasgow, which are supported by many other airports, have believed for some time that there should be a completely open-skies policy in the regions. That would help in the south-east in that it would take aircraft out of that region—not many, but such a policy would help a little where the sky is congested. There would be economic benefits in the north of England. I believe that BA does not like that idea. In the short term, there would probably be slight damage to its bottom line, but that would be overcome in a year or two.

BA's interest, as a good British company, is not the same as the UK's interest, but sometimes aviation policy seems to be driven in that direction. I hope that, in future discussions perhaps rather than in her summing up, my hon. Friend the Minister will respond positively to the recent Civil Aviation Authority report on the granting of fifth freedoms to regional airports. That is not the open-skies policy that I would want ideally, but the CAA says that there are significant benefits for regional airports if fifth freedoms are granted, unless there is an extraordinarily good reason not to do so.

A sensible way to start to improve the environment and air quality around an airport is giving the airport the ability to encourage airlines by financial means to move to less polluting aircraft. That is the way forward. Obviously, the airlines are worried about such measures and about noise. They are concerned that any decisions taken by airports do not over-penalise or conflict with airspace requirements. Overall, it seems that such an approach is sensible. There is a real problem around airports, and particularly Heathrow.

Primarily, the problem is not caused by aircraft at Heathrow but by cars. I cannot think of any other situation where there is a threat to a major industry because another body or series of bodies is polluting the air. If we return to the principle that the polluter pays, aviation pollutants do not constitute a threat that, by 2010, Heathrow will not meet European standards. The pollution comes from cars. If hon. Members can think of another example of one industry affecting the expansion and development of another industry, I cannot. We need to separate the issues and there needs to be a solution.

The noise problem is getting better. I accept that it is a complicated issue. There is not a simple linear relationship with decibels. We are talking about the quality and time of day of the noise and whether the area is rural or urban—in other words, the background noise. As there is more intense criticism of airports, on average, aircraft make a quarter of the noise that they made 20 years ago.

Justine Greening (Putney) (Con): Twice as many flights land at Heathrow compared with 20 years ago. Does that not suggest that total noise is increasing rather than decreasing, purely because more planes want to land there—something which is planned to increase further?

Graham Stringer: The hon. Lady makes a good point, which I think is about 10 or 15 per cent. right. Like most people to whom I have talked who live around airports, I would prefer four quiet aircraft that can barely be heard and, in some instances, not heard at all, to one very noisy aircraft that wakes people up.

I was once at a public meeting where people were complaining about aircraft. They especially complained about a particular jumbo jet, as it turned out, that was noisy. I and others were able to point out that, while we had been in the meeting, about 25 aircraft had gone over the building and that they had heard only one. They had not heard the other 24. Obviously, quantity as well as quality matters but there has been a huge improvement in 777 aircraft, to give one example, over the old DC-9s. In my opinion, that outweighs the increased number of flights.

There is a quarter of the noise, but there are still complaints. The number of complaints must be considered in detail. At Nottingham East Midlands airport, over a period, there were 615 complaints about noise, 72 per cent. of which had been made by one

individual. As far as I know, they were not made by an hon. Member. Sometimes, statistics obscure the fact that real people are finding that there is less of a problem with the airport and its noise than has been recorded.

The Secretary of State will have the power to allow public airport companies, such as Manchester airport, to trade. Those powers are not currently in the hands of the local authorities that own them. I support that good idea. The regulatory impact assessment says that the Secretary of State considered handing over power completely to the public airport companies so that they would have the same freedom as a privately owned airport company, but that that would make it more difficult to take local authority views into account. I found that a strange decision for airport companies that are owned by local authorities.

I urge the Secretary of State—I will also urge Ministers if I serve on the Standing Committee—to go the whole hog and make those public airport companies as free to trade as their private sector competitors. The issue is not whether the Secretary of State can intervene. BAA and other private operators would be annoyed and disturbed if there were a public subsidy, but the accounts are transparent, there is no public subsidy and the companies should be allowed to compete on a level playing field.

My hon. Friend the Minister said that he was weighing up all the facts as they relate to ATOL. To understand the complexities of the system, it is worth reading one sentence from the Select Committee's report. Once hon. Members hear it, I would be surprised if they defend the current system. It states:

"The intricacies of the ATOL arrangements are tortuous: passengers are definitely protected if they book a flight on a charter airline through a tour operator, or if they fly with a scheduled airline as part of a tour package; they are protected if they book a scheduled airline ticket through a travel agent with accommodation or a concert ticket, but not if they buy only the plane ticket and then book their accommodation on the internet; they may be protected even if they buy only a scheduled airline ticket from a travel agent, provided the travel agent uses the right flight consolidator."

We are saying that that system should continue to be funded, but it is not sensible or rational and does not justify that approach.

The hon. Member for Rutland and Melton (Mr. Duncan) said there should be a clear choice between a completely free system of buyer beware and extending the system. I agree. The difficulty is that the European package travel directive, which was introduced into British law by the package travel regulations, says that there must be protection for a number of travellers. The regulations make it clear that in this country—although I do not think that the original directive says this—that has to be provided by package tour operators. It is sensible to extend the scheme to all travellers for £1 a journey. The insurance system is even more complicated than the ATOL system.

One argument is that extending the scheme would mean extra regulation. The CAA report makes it clear that the change to a levy on all passengers is deregulatory, takes £1 million-worth of burden off the industry and creates a level playing field. The arguments in favour of that are so strong that I find it difficult to understand why the Government resist it.

I tried to intervene on the Minister because I wanted to ask about the extra consultation. He implied that the Government are not going to amend the Bill to allow the scheme to be extended, but who else is there to consult? The CAA has carried out a thorough consultation and the Government have gone to the industry. As far as I am aware, they found that BA and one of the low-cost carriers—possibly Aer Lingus—do not like it. I can understand why, because it is an extra cost to their passengers and there are problems of carriers going broke, but the nature of a collective insurance policy is that everyone pays. With all those facts in place, I do not understand why we cannot have the argument now and make a decision. We do not need another consultation. The facts and the arguments are clear. It is not justifiable to continue a scheme that was appropriate when 98 per cent. of leisure passengers travelled through inclusive tours now that that figure is down to just over 60 per cent. I hope that the Government listen to those arguments.

6.55 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): I commend the remarks by the hon. Member for Manchester, Blackley (Graham Stringer). Although I suspect that we will disagree on much of the detail, he brings knowledge and experience to the debate, and his contribution was interesting.

The Bill extends to just 13 clauses and 17 pages. As such, it may be short in length, but it is, nevertheless, significant in its scope. For example, from the contents we see that it deals with public airport companies, appeals on route licences, the health of passengers travelling, the documentary evidence in relation to references and the Air Travel Trust. Hon. Members will be pleased to know that I do not intend to make a detailed exposition of each; rather, I wish to consider the first section, which relates to noise, vibrations and emissions.

The absent Secretary of State will, I suspect, be all too familiar with the fact that my constituency borders on Stansted airport. As such, my constituents are constantly affected by the noise and emissions from overhead aircraft. That intrusion affects their quality of life. Sadly, over recent years, it has grown steadily as air traffic has increased.

It is not only people at home who suffer. A number of schools in Sawbridgeworth, Spellbrook and Bishop's Stortford have to interrupt lessons because the noise makes teaching inaudible. The rural parish of Thorley has reported oily droplets that coat the leaves of trees and plants. Indeed, a film of oil is often found when an aircraft has been reported as being off route. It is also found forming on ponds and pools. My constituents, and, I suspect, many other people across the country who have to live near airports, find that intrusion of great concern. The way in which noise and emissions are monitored, managed and enforced has a direct effect on their daily lives.

That is especially the case with night flights, which the Minister mentioned. Those are controlled at Heathrow, Gatwick and Stansted by a combination of noise quotas on one hand and a limit on the number of aircraft movements on the other. Clause 2 enables the Secretary of State to discontinue limiting the number of night-time

[Mr. Mark Prisk]

flights at those designated airports. That leaves the noise quotas alone to regulate night-time traffic. While in principle I could accept that the regulation of aircraft noise needs to be more flexible and effective, and that aircraft movement controls on their own are crude, I do not believe that the answer is to discontinue limiting aircraft movements. Sadly, however, I suspect that that is what the Government plan. The Department has decided to delay by six months the second stage of the night-flight consultation. There has been no satisfactory explanation. Any new regime will therefore begin a year later than we were originally advised.

The resulting delay means that the Government have the time to change the law through this Bill and then use the new powers to create a very different regulatory regime, almost certainly starting from October next year. Given his remarks earlier, it is clear that the Minister expects to abolish the movement limits and thus allow more night-time flights. I did not notice that in bright lights in the Labour party manifesto, but it is of great concern and interest to many around the country.

A second point emanates from the issue: the switch in regulation would establish a precedent. Limits on aircraft movements provide the main way in which to regulate the growth of airports, as a number of my right hon. and hon. Friends have mentioned. If regulation for all flights—not just those at night—were centred solely on noise and emissions, the British Airports Authority could grow incrementally its three London airports without some of the existing checks and balances. That would represent a serious setback in the control of airport development, and I am sure that it would be universally opposed by my constituents.

Given the Minister's equivocal answer earlier, I ask the Under-Secretary of State for Transport, the hon. Member for Regent's Park and Kensington, North (Ms Buck), to put on record clearly in her reply to the debate the Government's true intentions—not just about night-time flights, about which we have had half an answer, but about daytime movement limits too. In the exchange earlier, the Minister seemed to be saying, "Well, these may or may not be abolished. We will have to decide in the future." That is not an acceptable answer. We do not want the limits to be removed, but for the Government to put a piece of legislation before us and not to give a clear answer on the record is reprehensible. I hope that the Under- Secretary will be able to clear up that point.

That lack of ministerial candour leads me to consider how aircraft noise is measured and by whom. Licensed airport operators such as at Luton or Manchester have a free hand in dealing with their neighbours' complaints. Indeed, they can even decide which of the environmental noise objectives should be adopted. That rather ad hoc approach has concerned nearby residents and campaigners for some years. They believe that, given the daily impact on their lives, the procedures for monitoring, managing and enforcing noise and emissions levels should be clearly founded in law. Indeed, there have been several campaigns to secure a change. For example, in the 1990s a former Member of this House, Mr. Stephen Day, was a vociferous campaigner on behalf of his constituents in Cheadle. It is good to see the Government finally responding to his and other campaigners' concerns.

However, there is a second aspect on which the Government have failed to act: the need for independence in the system—an independent watchdog that is able openly to investigate and enforce the rules. At present, when my constituents are disturbed by excessive noise, they complain to the flight evaluation unit at the airport, which investigates the complaint, judges whether the noise limits or noise preferential routes have been breached, and then decides under its own rules and in its own manner whether a breach has occurred. It is also able to decide whether to fine the guilty airline. The problem is that the unit is owned, managed and staffed by British Airports Authority plc. Thus, the airport operator both monitors the problem and decides whether to charge and what to fine. It is not so much poacher as both policeman and judge.

I have visited the flight evaluation unit at Stansted and taken a number of my constituents there so that we could have a positive exchange, and I have no doubt that the individuals involved there are thoroughly professional, but what is wrong is the system, not the people. It is a complaints procedure that lacks transparency and objectivity. Indeed, given BAA's effective monopoly in the south-east of England and its pivotal role in delivering the Government's plans for air travel, it is vital to public confidence that the complaints procedure for noise lies outside the remit of a public limited company that runs the airports. That is why the Bill should establish an independent watchdog to monitor, manage and enforce aircraft noise and emissions limits—a watchdog independent of commercial interests and therefore likely to attract the full confidence of the public.

Such a unit does not need to cost the taxpayer a penny. After all, it could draw the funds that it needs from the fines that it levies, much as many other watchdogs do already. Nor would the regulatory burden need to increase. What is at issue is the status of the regulator, not the size or complexity of the rule book. I therefore suggest that all flight evaluation units be transferred to become independent of airport operators. Ideally, they might operate under the auspices of the Civil Aviation Authority, but I would be happy to discuss that if the Minister were willing to have an open mind on the question. The aim should be a complaints system that is objective and seen to be so—a system that is open and fair to all.

I welcome the Government's wish to update the regulatory regime for civil aviation. Although the Bill is somewhat equivocal in tone and permissive in law, it is high time that the issues that it addresses or refers to were dealt with. However, the Bill is imbalanced. It seeks to help passengers, but hesitates when proffering help to those affected by air travel. That is why we need greater clarity on the question of night-time flights. I hope that the Under-Secretary will think carefully about how she will reply on that point, and that she and her colleagues will ensure that they give the matter the greatest consideration before any loosening of the regulations.

The Bill should also make the monitoring, management and enforcement of noise and emissions levels thoroughly independent of commercial airport operators. Others have suggested that there is no conspiracy, and I tend in politics and in life generally not to see conspiracies about me, but residents near airports genuinely feel that they are not being heard. Putting the

system on an independent footing would help to allay those concerns and to ensure a positive dialogue between airport and resident. We would be sending the clearest of signals to people that their complaints will not only be treated fairly but that there is a system that they can trust. In the area in and around Stansted, that is not the case at present.

I hope that the Government will grasp this opportunity and therefore help to improve the quality of life not just of my constituents but of millions of people around the country.

7.7 pm

John Smith (Vale of Glamorgan) (Lab): I welcome the opportunity to speak in support of the Bill in this Second Reading debate. It is a good Bill, which addresses several important issues that have been debated in some detail this afternoon. It is a measured and balanced Bill, which considers some of the difficult issues that we face and tries to provide a pragmatic mechanism for dealing with the challenges before the industry.

I predicate all my comments on the fact that I am a big supporter of the industry and I always have been. I endorse the views of my hon. Friend the Member for Manchester, Blackley (Graham Stringer) in identifying the important role that it plays in economic development.

Adam Afriyie: As a supporter of the aviation industry, does the hon. Gentleman also support the environmental targets on pollution and emissions?

John Smith: Is the hon. Gentleman asking about targets for the industry, or climate change generally? Yes, I am a supporter. The industry faces a huge environmental challenge, but it would be a mistake to think that this country can address that on our own, because it faces the industry internationally. When instituting change we must be careful to ensure that we do not damage the competitive edge that the British aviation industry enjoys. It has been pointed out that it is the second largest in the world, so we must be responsible and careful, which is why the Bill is by and large balanced.

I spent a brief spell working in the inward investment industry, so I can tell the House that it is virtually impossible to attract footloose international investment into the regions of the United Kingdom if those areas have no access to a thriving and prospering international airport providing a choice of scheduled business flights. Without such an airport, one certainly cannot attract high-value-added or high-tech industries, which are the sorts of industries that we hope will be able to compete with the rest of the world over the next 50 years or more. The aviation industry has an important role not only because of the quantity of exports that it carries and the number of passengers whom it transports throughout the world, but because it is at the cutting edge of business communication. If we stick our heads in the sand on that issue, we will damage enormously the competitive advantages of British industry.

Justine Greening: Does the hon. Gentleman therefore think that any amount of future expansion of air travel and the aviation business in this country is justified so long as the economic case stacks up, irrespective of the environmental damage that might be caused to nearby residents on the ground?

John Smith: The hon. Lady's question started well, but became somewhat loaded towards the end. If it is economically advantageous, we should generally support the policy. However, expansion would not be economically advantageous if it damaged the environment and quality of life of people living near airports.

I have some experience of living near an airport because the fastest growing regional airport in the United Kingdom is in my constituency. According to the aviation White Paper, we expect a fivefold increase in passenger throughput by 2020. We will have to address the huge environmental challenge that that will create and tackle the problem of surface access to such an expanding airport, but the expansion will be a vital part of the development of the south Wales economy. I was delighted to attend the recent opening of the Vale of Glamorgan passenger railway, which is the first such railway to be reopened since the Beeching closures of the 1960s in Wales. One of the major stations on the railway is providing a rail link to Cardiff Wales airport, which is absolutely vital to ease the congestion on our roads. However, that does not mean that we will not also need to continue to improve surface access.

I speak as a huge fan of the aviation industry, but I am sure that it will be of no surprise to older hon. Members that I want to concentrate on clause 7 of the Bill, which relates to aviation health, an issue on which I have campaigned for many years. Her Majesty's Government have an excellent track record on aviation health. Let me tell those who call the Bill piecemeal, disjointed and without vision that they are completely wrong, because it is radical and courageous. By creating the aviation health unit, the Government became the first in the world to provide such an institution. Under the auspices of the Bill, the Government will be the first to create a Minister for aviation health and to finance the aviation health unit, which is part of the Civil Aviation Authority at Gatwick, with a levy on the industry. The Government have a commendable record that sets an example to the rest of the world, which is dragging its feet on the many aviation health problems that constantly arise, including the huge public health problem of air passengers contracting deep vein thrombosis, which is the main issue on which I campaign and which the hon. Member for Rutland and Melton (Mr. Duncan) mentioned.

The British Government's record does not stop there. They made the largest single financial contribution to the World Health Organisation's study of the health risks of travelling, especially the risk of developing deep vein thrombosis due to long-haul air travel, which is defined as a flight of four hours or more. I understand that they contributed more than €2 million to the study, which was more than any other country affiliated to the WHO and almost as much as the other countries that contributed put together. We should be proud of that record. I congratulate and commend the Government on the lead that they have shown in the past few years by making Britain the only country to make available on a

[John Smith]

website, in leaflets and through the aviation health unit specific health advice for passengers about to engage on long-haul travel.

Dr. Ladyman: May I point out to my hon. Friend that the national health service is also doing its bit? When I visited my doctor on Friday to talk about going on my holidays, I was given advisory leaflets about deep vein thrombosis.

John Smith: I am well aware that doctors give such advice, but we are debating the Civil Aviation Bill. It is not only doctors who provide such advice; NHS hospitals in Britain contain air passenger and tourist advice centres to warn people about the dangers of flying. I must stress that they advise on the health risks of flying and not the safety risks, because there is a huge difference between them. Air travel is the safest form of travel in the world. One is less likely to be injured or killed by flying in an aeroplane than by walking down the street, riding a bicycle or driving a car.

Adam Afriyie: The hon. Gentleman is enthusiastic about aviation, but many hon. Members are worried about the growth of air travel at airports in their constituencies. Would he be delighted if all the increased air traffic came to his region of Wales? Would he encourage the infrastructure to be put in place so that the extra air traffic could move to his constituency?

John Smith: That almost happened following the horrendous terrorist attacks in New York in September 2001, because Cardiff Wales airport is one of the most accessible alternative airports on the Atlantic seaboard. It is the most fog-free airport in the United Kingdom and enjoys the most temperate weather of any airport in the United Kingdom. Consequently, every large jet in the air that was sent away from the United States at the time was diverted to the airport—we were delighted to have them. We have some geographical advantages, from which other hon. Members do not benefit. We are a seaboard airport and much of the traffic flies in over the sea and takes off over the sea, as long as the wind direction is right.

Air travel is the fastest-growing mode of transport in the world. We do not know whether it will double, treble or increase fivefold in my constituency, but we all agree that it is growing exponentially. We are in the bizarre position, which I mentioned in an intervention—causing puzzled looks on the Opposition Front Bench and on the faces of some new Members—whereby last year 60 million Britons flew long haul from this country, with no protection whatsoever against damage to their health or well-being when on board the aircraft. I am sure that that did not sink in when I made my intervention.

Under article 17 of the 1929 Warsaw convention, airlines—exclusively, as a mode of transport—have no duty of care for the health or well-being of their passengers. They have a duty of care for their safety. That was upgraded in two further international conventions—The Hague and Montreal conventions. However, when an attempt was made in the Montreal convention to make airlines—like any other passenger carriers—responsible for the health of their passengers, it was rigorously avoided. Efforts were concentrated on stopping the introduction of such a duty of care in law.

Earlier, we had an interesting debate about Air Travel Organisation Licensing and compensation. Some people are covered, others are not. We discussed how wide the compensation should be for the loss of a holiday or being stranded somewhere and having to pay to come back. However, there is no insurance cover for death or personal injury caused by damage to physical or mental health through flying. Indeed, a passenger who is injured or a relative of a passenger who has been killed or injured cannot even go to a British court to argue that an airline was responsible for death or injury caused by a health condition acquired through flying, although for me, the important one is venous thrombo-embolism.

Why do I speak in such a committed way about the subject? A 29-year-old constituent of mine died, killed by United Airlines. I do not believe that the airline denies that he died as a result of being crammed into an aircraft for an incredibly long time. That caused a blood clot in a lower limb, which dislodged and went to his lungs. A pulmonary embolism then killed him. That is a common cause of death in this country. According to the Health Committee report, more than 30,000 people a year die in this country from venous thrombo-embolism. I cited that figure in a previous debate, but I am not sure whether I was taken seriously. Most of those deaths are easily preventable.

We believe that as many as one in six of the deaths are flight related. They are caused—not necessarily exclusively—by flying for more than four hours in cramped and somewhat contrived conditions. We do not claim that that definitely is the figure, but all the indications suggest that it is. According to Professor John Scurr in a watershed piece of research, one in 10 air passengers who fly long haul develop blood clots in their lower limbs. Of those, 43 per cent. develop a deep vein thombosis that could dislodge and move to vital organs—the lungs, the heart or the brain. That is a huge number if it is anywhere near correct. We do not know for sure because the research, which the British Government are largely financing, has not yet been completed.

Research by the Medical Research Institute of New Zealand, conducted on a much bigger sample and published in December 2004, suggests that one in 100 of all long-haul passengers—defined as flying for more than four hours—develop a deep vein thrombosis. That is potentially fatal. If it does not kill, it causes horrendous damage, which will probably have to be treated for a long time, if not for the rest of the patient's life.

The World Health Organisation report, which the Government are largely financing, is about to be published. The research has been led by Professor Frits Rosendaal of Leiden university. It will show, without doubt, that people who fly long distance are five times more likely to contract a thrombosis than the community at large. It will therefore establish a definitive link. It will not define the causal relationship but establish once and for all the correlation between long-haul flying and developing the condition. No serious clinician or medical practitioner doubts the link between flying in cramped conditions in a contrived

environment and the condition, although they may disagree about the scale of the problem. I believe that it is a huge public health issue, but the airlines have no responsibility for it in law.

Can one imagine a more contrived environment? The air is artificial; the pressure in a pressurised cabin is equivalent to being 6,000 ft above sea level; and the airline tells passengers what they can eat. The British Nutrition Foundation recently made some interesting comments about the salt content of the food that the big airlines shove in front of—normally economy class—passengers. That could be damaging to passengers' health generally, but salt's dehydration effect increases massively the chances of developing a blood clot. Yet the airlines have no duty of care.

Clause 7 finally establishes the unit and asks the airlines to pay a pittance—£200,000 shared between the airlines is not much money—as a levy to finance it. When the Minister is given the responsibility of offering guidance—and, as I understand it, make Orders in Council—to protect passengers' health and well-being on aircraft, why do not we accept the opportunity of taking a lead in the world once again and place the same duty of care—no special treatment or favours—on airlines as exists for shipping, coach and railway companies, and even taxis?

If passengers get in a taxi, coach or train or sail on a ship, whoever carries them from A to B has a general duty to look after their health and well-being. Yet when passengers get on an aeroplane, there is no such protection. They are not even covered by their travel insurance. I am sure that millions of people in the country, never mind half those who sit in the House, have no idea that that is the position. I ask the Minister to consider using this as a golden opportunity not necessarily to place such a liability on airlines, because that could place the British airline industry in a difficult position, but to put down a marker to state that the Government's intention is to ensure that all airlines throughout the world have that same duty of care. If that could be achieved, there might never have to be any more tragic deaths like that of my constituent, John Anthony Thomas, who died in the prime of his life. His death was avoidable, preventable and unnecessary, and the airline was responsible. It got away with murder, and if we do not change the law, that could happen again.

7.30 pm

Justine Greening (Putney) (Con): Thank you, Mr. Deputy Speaker, for giving me the chance to speak in this debate on the Civil Aviation Bill. For many of my constituents, particularly those who live in Thamesfield, East Putney and Roehampton, the issue of aircraft noise at night is of great, and growing, concern. I want to make it clear from the outset, however, that, like the hon. Member for Feltham and Heston (Alan Keen), I am not against aviation or against Heathrow. I fully understand the importance of the aviation industry to the UK, and the opportunities that it gives to so many of us to travel. I also fully recognise that Heathrow is very important for the local economy, in terms of the employment that it provides.

My worries about the Bill are specifically related to its potential effect on night flights, which already have a severe impact on many of my constituents. I know that many other hon. Members have similar concerns. The Bill proposes a fundamental change in the way in which aircraft noise from planes landing at designated airports such as Heathrow will be managed. At present, the noise created by night flights—flights landing at airports such as Heathrow between 11.30 pm and 6.30 am—is controlled in two ways. The first is a noise quota system that measures the estimated total noise created. The second is the calculation of the absolute number of movements overhead.

At present, an average of 16 flights land at Heathrow between 11.30 pm and 6.30 am every day, with the majority landing from 4.30 am onwards. These planes fly directly over my constituency and, indeed, over my own home. However, rather than strengthening the controls over noise, the Bill proposes to take away one of the two means of control currently in place. Clause 2 will give the Secretary of State the power to change the noise regime, if he so chooses, and to remove the movements limit element altogether, so that we should rely instead only on the noise quota measure.

I recognise that the air transport White Paper said that the Government intended to introduce legislation to make such changes, but they are strongly opposed by me, my constituents, the London borough of Wandsworth and many other boroughs and interests around Heathrow. I am sure that the Department for Transport will explain that the justification for this change is that removing the movements limit will provide an effective incentive for airlines to use aircraft that are less noisy. I understand that, but less noisy aircraft are still noisy and they still wake people up. I find it hard to understand the logic of a policy that suggests that a less noisy aircraft is somehow, miraculously, not noisy at all. This policy could enable airlines to increase the number of night flights, possibly significantly, when our objective must surely be to limit, and gradually to phase out, the number of night flights coming into airports such as Heathrow. I will come back to other aspects of the noise quota system—the one noise control that will remain in place—to demonstrate just what a discredited system it is.

I should also like to take this opportunity to point out that the Bill does not give any indication as to when such a power to remove the movements limit might be used by the Secretary of State, and under what criteria he might judge it appropriate to launch a consultation to change the powers. Given that the Bill proposes to introduce these powers, I can only assume that there is an intention to use them, which can only mean that we will have more planes flying overhead than at present.

Just worryingly, the Secretary of State will be aware that, only on 10 June, his Department issued the second stage of consultation on night flights into Heathrow, just a day after the Civil Aviation Bill was published, on 9 June. The Department for Transport is taking both documents forward simultaneously. My constituents might have expected these two documents to have some consistency between them, but they do not. The night flights consultation document makes no mention whatever of the Civil Aviation Bill's proposals, and shows the existing regime of a mix of movement limits and quota limits continuing at least until 2012. The Bill therefore seems wholly inconsistent with the tone and apparent objective of the night flights consultation.

[Justine Greening]

Of course, I cannot talk about the Government's strategy—I use the term loosely—on civil aviation without referring to the previous White Paper, "The Future of Air Transport". That document said that it was the Government's intention to "bear down" on aircraft noise. It also said that the Department for Transport's basic aim was to

"limit, and where possible, reduce the number of people in the UK significantly affected by aircraft noise".

But the proposal from that same Government in the night flights consultation is that we should see a 10 per cent. increase in planes landing at Heathrow during the night period. That consultation also proposes that my constituents should have to bear an increase in the night flight regime, from 2,550 movements in the current winter season to 2,820 by 2011–12, and a similar increase in summer flights.

That is bad enough, but the Bill also proposes to give the Secretary of State the power to take away any need for movement limits whatever. My constituents will be left with a noise control system that the Secretary of State could, at any point—without specifying why or when—change to rely solely on the quota count system. That system is arguably fundamentally flawed, which leads me to my next concern regarding the Bill.

We are used to fine words from this Government, but as ever there is little of substance behind them. The Department for Transport may say that it wants to "bear down" on aircraft noise, but it is placing confidence in a quota count system that is based on estimated noise, rather than on actual noise. How can we possibly justify, let alone explain to our constituents, a system for monitoring aircraft noise that is based on estimates of the noise level that an aircraft makes, rather than on the actual noise that it makes. That is surely absurd.

To explain why the quota count system using estimated noise is so discredited, research was carried out by the London borough of Wandsworth to show that the level of night noise at Heathrow is understated by 74 per cent., owing to the misclassification of the louder quota count 4 and quota count 8 747-400 aircraft landing at Heathrow between 4 o'clock and 6 o'clock each morning. Those planes had, in fact, been classed as quota count 2 level planes, which are supposedly much quieter. The planes that have been so badly misclassified make up an amazing 80 per cent. of the current night flights into Heathrow over Putney. I look to the Minister to give the House an assurance that her Department will now take steps to move to a noise monitoring system based on actual, not estimated, noise.

The issues do not end there. We need to measure actual noise more effectively, but having done that, we must at last define what level of actual noise constitutes "excessive". The London borough of Wandsworth, which has campaigned tirelessly for a reduction in night noise, has repeatedly asked for a definition of "excessive noise", but to date has not been given one by the Government. This issue has also been pointed out to the Government not only by other hon. Members but by the inspector carrying out the terminal 5 inquiry. He said in his report that he

"had some difficulty in establishing current government policy towards aircraft noise".

His report went onto say:

"I find it very hard to understand how the policy can be implemented fairly and openly in the absence of a measure of definition of what is an excessive noise level".

I agree.

The issues do not end there, however. We do not even have up-to-date information on how aircraft noise at airports such as Heathrow affects the well-being and health, both short and long term, of local people. In fact, the last large-scale social study of the impact of night noise on people was carried out in 1985, 20 years ago, in the aircraft noise index study. Surely it is time for an updated review. I believe that the sleep disturbance study of 1993 was also debated in the House. It was heavily criticised at the time of its publication and failed to consider adequately the experience of residents on the ground.

No study of which I am aware has examined the impact of night flights or aircraft noise on people such as my constituents in Putney. I am not aware of any permanent noise sensors monitoring aircraft noise in my constituency, but they are badly needed. If they are there, the data are certainly not being made publicly available. It takes only one noisy plane to wake someone up.

Given the Government's reluctance to provide me with facts and data, I have done my own search instead of relying on estimates. I have found only one piece of research that considered actual noise created by aircraft landing at Heathrow and passing over Putney, although even that did not examine the impact of that noise on my constituents. That report was carried out in 1999 by the then Department of the Environment, Transport and the Regions, and was innovatively titled, "Noise from Arriving Aircraft". It did consider maximum noise levels experienced in a number of locations, including one noise sensor in Putney, and I have a chart of the output from that sensor with me.

For the Boeing 747—again, I remind the House that 80 per cent. of night flights coming into Heathrow are Boeing 747s—the maximum decibels created were up to 80 dB. That comes right at the end of the chart that I am now showing the House. In fact, no aircraft monitored carrying more than 100 passengers was recorded at less than 65 dB. However, the 80 dB noise that my constituents experience can be contrasted with the World Health Organisation's guidelines as to what noise will prohibit a good night's sleep:

"for good sleep, sound level should not exceed 30 decibels for continuous background noise, and individual noise events exceeding 45 decibels should be avoided."

While I fully understand that the WHO levels are in fact for internal noise, the average home will provide only about a 15 dB reduction by way of sound insulation. Therefore, people who wish to have a window open, even slightly, for ventilation, are experiencing levels in excess of what the WHO would advise.

From the only piece of evidence available, it seems that my constituents must endure noise far in excess of that which the World Health Organisation believes is the maximum tolerable for a good night's sleep. The WHO has also stated that there can be significant health impacts from disturbed sleep. In the short term, there is an increased risk of accident; additionally, blood pressure and stress hormones can be affected. In the

longer term, however, the World Health Organisation says that persistently disturbed sleep can lead to cardiovascular problems, worsened cognitive performance and immune system problems. I would urge the Minister to study carefully and take a lead from the World Health Organisation guidelines, which would suggest that night-time noise at airports such as Heathrow is already excessive, in the context of my constituents having their sleep disturbed. I also look to the Minister to give this House an assurance that her Department will undertake a full study of what determines "excessive" noise and to make its findings and subsequent policy known to the House at last.

Even the Government's former aviation Minister, the hon. Member for Sunderland, South (Mr. Mullin), seems to support my position. In an article on this topic in the *Evening Standard*, dated 14 January, 2003 he said:

"Although nowadays the industry pays lip service to the notion of sustainability, its demands are essentially unchanged. It wants more of everything—airports, runways, terminals. The industry is not even prepared to negotiate seriously on such relatively resolvable problems as the 16 night flights which daily disrupt the sleep of several hundred thousand Londoners and are a source of continual complaint. During my time as aviation Minister I had difficulty persuading representatives of the offending airlines even to sit around a table with MPs whose constituents are affected, let alone contemplate the slightest change to their night flight schedules."

I hope that the latest aviation Minister will have more success. The previous Minister ended his article by saying that any further concessions to the industry should be conditional on an end to night flights. I do not expect that to happen, but I find myself in agreement with a former Labour minister.

In summary, the Bill represented an opportunity to bring actual aircraft noise fully into the Department's decision making. That opportunity has been missed. The Bill represented an opportunity finally to define what our Government believe is "excessive" noise. Again, that opportunity has been missed. I believe that it is incumbent on a Government making such major proposals related to aircraft noise, affecting hundreds of thousands of people in London, including my constituents in Putney, to base those proposals on hard evidence that is not only accurate but up-to-date. That evidence is absent from the Bill.

The Bill proposes not to tackle the issue of aircraft noise and the resultant health impacts, but to do the exact opposite and remove a fundamental check on worsening aircraft noise that has been in place for a number of years. The Bill gives the Secretary of State power to lessen controls on noise created by aircraft, and thereby opens the door for aircraft operators to have as many planes landing during the night-time as they wish. The Bill implies that quieter aircraft are less disruptive than noisier aircraft and that therefore there is no more need for a movements limit. The World Health Organisation evidence, however, suggests that all planes carrying 100 or more passengers will wake up residents beneath the flight path as they land.

It is time the Government initiated a large-scale study not only of actual noise experienced by people such as my constituents in Putney, but also of the impact that that noise has on sleep disturbance. The Bill emphasises the lack of balance in this Government's aviation policy, placing the economic interests of airlines and airport operators over the livelihoods of people who each night suffer the consequences of noise from aircraft. The Department has placed much store on the need to balance the social impact of night noise with its economic benefits, and it needs to do so as a matter of urgency. Let us find out what the economic benefits of night flights truly are. So far, I have seen no detailed report justifying aircraft operators' claims about their contribution to London's economy. I will listen to the Minister's response with great interest, and I hope that, as a minimum, she will assure me that those studies will be undertaken as a precondition of the legislation being implemented.

On the specific issue of night noise at least, it is time that the interests of local communities were at last placed on an equal footing with those of the industry. Finding the right balance is long overdue. The best decisions are based on facts and data, which, in this Bill, are badly needed but missing.

Before increased powers are conferred on the Secretary of State via the Bill, I look to the Minister to give the House assurances on actual noise monitoring being put in place in areas near Heathrow such as Putney, an assessment of the impact of actual noise on people experiencing it, a definition of what constitutes excessive noise according to this Government, and a full review of the economic case for night flights as a matter of necessity. Failing to give those assurances and carry out that action puts the Bill on a dangerous path along which to progress.

7.49 pm

Mr. Jim McGovern (Dundee, West) (Lab): The Bill seems to have one theme running through it—to address more seriously the by-products of the large and, for the most part, welcome increase in the volume and capacity of air travel within the UK. In what way can the Government regulate to correct the externalities and market failures not dealt with by the ever-increasing air industry? In the past it may have been easier to ignore problems of noise and air pollution. Now there are simply too many planes in the sky to allow such laxity. In 1991 there were nearly 96 million passengers passing through UK terminals; in 2003 that had more than doubled, to nearly 200 million. It is estimated that by 2020 the figure may have risen to more than 400 million. Meanwhile, the number of aircraft movements—aircraft landing or taking off—has risen from nearly 1.4 million to more than 2 million during the same period.

The increase in air travel has, of course, proved stimulating to the economy. There is some debate about the exact economic effect of air routes to Scotland, but I know from personal experience in Dundee that for many business people, the Dundee to London route is a vital link with the United Kingdom capital, and enables businesses to be based on Tayside. I approach the Bill as one who is in favour of air travel and the increase in air travel that has taken place over the past two decades. The fact that I am in favour of air travel, however, does not mean that I am unaware of its limitations and problems.

Dundee is fortunate in that its airport is fairly secluded in terms of residential areas, its planes are small, its capacity is limited and it is next to the River Tay, where the only offence that it can cause is to

[Mr. Jim McGovern]

basking seals on the sandbanks when the tide is low. When I come to London, as I have the privilege of doing most weeks now, the situation is rather different. The idyllic silvery riverside view is gone, and in its place are masses of planes flying in all directions. Coming to this city nearly every week makes me recognise the necessity of renewed and reformed regulation of our rapidly expanding air industry. It is vital for us to take seriously the effect of noise and pollution on people's lives. Of course noise is a by-product of aeroplanes, and we should accept that, but it is important to limit the effect wherever possible. I welcome the clauses allowing the Secretary of State to compel aerodrome owners to install noise-measuring equipment in airports.

The observations of the hon. Member for Putney (Justine Greening) made me think back to my days as a safety representative. I think that decibels are measured on a logarithmic scale, which means that if a volume of 80 dB is doubled it becomes 90 dB. I do not know whether the hon. Lady was aware of that, but it may make the figures she gave even more horrific.

The Bill is the first step towards allowing operators to impose realistic limits on the carriers who use their airports. I understand that without it, charges of the type we are discussing, if levied by airport operators, would be open to legal challenge. Clearly a change is necessary. The Bill will encourage carriers to start reducing the levels of noise emissions as a way of both saving money and improving their public profile. It is important for carriers to accept more responsibility, and it is best for the managers of aerodromes to initiate the process. It is they, after all, who must deal with public reaction if there is too much noise at night, or if tiles start falling off roofs owing to unnecessary vibrations.

As always with legislation that seeks to regulate, it is important to set the regulation at the right level. I believe that the Bill strikes that balance. Allowing aerodrome owners to set the levies will allow decisions to be made on a case-by-case basis, and those on the ground will obviously have the right amount of knowledge to do that. There is, of course, a caveat. If the market and aerodrome owners could deal with the problems naturally, there would be little need for legislation. I am glad that the Secretary of State will gain powers to act should that be necessary. There is a fine balance to be struck between over-regulating and letting things get out of control. I trust that the dividing line will be established soon after the Bill takes effect.

As for the regulation itself, I think that it is an attempt to deal with the wider issue of the costs and benefits of air travel. It is crucial for airlines and aerodrome operators to take account of some of the wider externality issues, and to try to address them as the air industry continues to expand. I imagine that some will object to what they see as undue regulation, but I think that the negligible costs incurred will be easily offset once they are divided among the 200 million passengers who pass through our airports each year. At this stage it seems reasonable for everyone to make a small contribution to the common good, and to the quality of life of some of our fellow citizens.

As I have said, the Bill is in general about protecting consumers from externalities and market failures. That is clearly demonstrated by clause 9. Most holidays are already protected by ATOL, and it makes sense for there to be at least some regulation of ordinary air travel. It will protect the public, and give carriers an incentive to go on behaving properly. It will help to cement measures in the Bill.

The Bill seeks to address the new problems caused by air travel in the 21st century. By doing that now, it will allow us to enjoy an expanded aeroplane market. However, we will do so in the knowledge that we are not leaving such crucial matters as noise and aircraft emissions in the hands of air operators alone.

7.55 pm

Mr. Robert Syms (Poole) (Con): It is a pleasure to speak on the Bill. It is a bit of a rag-tag—a miscellaneous Bill consisting of bits and pieces—but it is very important, because it affects a very important industry. We have heard today about the value of the civil aviation industry to our country. It is worth £10 billion a year. It employs 200,000 people directly, and 600,000 indirectly. According to Government estimates of the industry's possible growth, another 260,000 jobs could well be created.

All that is not God-given. The industry is very competitive. Many other countries would like to be as successful as we are in this respect. We must maintain a strong industry, especially if ours is to remain the fourth largest economy in the world and to make progress as a modern economy. About a third of our exports, by value, now travel by air, and we have seen massive growth. Although I do not necessarily accept some of the higher growth figures, we must plan for quite a high level of further growth over the next few years.

It is true that we have not taken as strategic an approach as other nations. That is a criticism both of past Conservative Governments and of the present Government. This Government have been brave in one respect, however: they have begun to consider potential airport and runway expansion. When terminal 5 was being built and an inquiry was in progress, Schipol and de Gaulle airports added three runways. The Europeans are rather more focused on expanding their aerospace industries than we are. A bargain must be struck. If our industry is to expand and create jobs and wealth, our citizens will expect it to do more about emissions and, in particular, noise. My hon. Friend the Member for Putney (Justine Greening) spoke eloquently about what her constituents must put up with. We must nail the industry down to achieving much better standards in future.

When I first looked at the Bill, I thought that the Government were tightening noise and emission regulations, but when I listened to the Minister I was not so sure. As he continued, there were more references to balancing and "on the one hand . . . on the other hand". The devil will be in the detail, and the Committee stage will be very important in terms of what eventually emerges. If we get the noise and emission levels right, however, it may well be appropriate to expand the industry and thus create wealth.

My hon. Friend the Member for Putney was very eloquent on behalf of her constituents who cannot sleep. People have certain basic rights. We must achieve a proper balance between a successful industry and the

rights of those who live under the flight path or close to airports—rights that most of us consider normal in this day and age.

Members have said that aerodromes should not just attract business but act as police, courts and fining authorities. Such issues will need to be explored very carefully in Committee.

The Minister talked a great deal about planning authorities. The planning authority responsible for an airport usually represents only a small proportion of the area affected by aircraft movements. We also heard about airports' consultative committees, which I have never considered to provide the strongest protection for those living in the vicinity. I hope that in Committee we shall hear more about who will be consulted, and the length of the consultation period.

The question has also arisen of the how far around an airport such controls should extend. Should they extend, for example, for 10, 20 or 40 km? That will clearly be very important in terms of the effectiveness of these regulations. Concern has also been expressed about the imposition of financial penalties, and particularly the prospect of using them as a local fund. The problem is not just that it might be the manager of a particular airport who makes that decision; there could also be perverse incentives for an airport or a local authority to impose restrictive limits with large fines, in order just to raise money. A balance has to be struck in the introduction and application of these regulations.

The issue of appeals and route licences was also briefly raised. The Government say that the Civil Aviation Authority has the experience and the professionals to be able to decide these issues, but it is very unusual for someone who loses a route to have no means of appeal. Perhaps the Competition Commission is the appropriate body to deal with any such dispute, which will undoubtedly arise at some point. Indeed, reference has already been made in this debate to judicial review or some form of court action. I am not sure that simply taking the Secretary of State out of the process constitutes a great stripping out of bureaucracy. In fact, it might give rise to more difficulties if we end up going down the legal route.

Reference has been made to the Air Travel Trust fund, and to various schemes such as introducing a £1 levy on individual travellers, as well as having no particular levy. The situation today is significantly different from the early 1970s, when Court Lines went bust. In those days, most people did not have credit cards, there were exchange controls and travel was still a relatively rare undertaking. These days, most people who travel use their credit cards to book a flight, and people who are stranded use their card to get back to the United Kingdom. I do not believe that people are necessarily without options and choices. Whenever I go home, I discover that at least five companies are trying to offer me a credit card with an excessive credit limit. Although it may not always be in the British people's interest, they certainly have sufficient credit to get themselves out of difficulty. I am not sure that the Government should do that job, or that a levy should be imposed on everybody. Stronger companies could end up bailing out weaker ones, which have in fact been undercutting them in the process.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I hear what the hon. Gentleman says, but is it not true that even in the UK, seven airlines have gone bust in the past four years? Some of them served Edinburgh, so my constituents were affected. Does the hon. Gentleman not accept that there is a need for greater consumer protection, and that he should perhaps be more sympathetic to such people's problems? They might well be able to use their credit card to get home, but that is not much use if they cannot get recompense for the cost of their flight when an airline goes bust, or recompense for the cost of accommodation booked through a website.

Mr. Syms: I note what the hon. Gentleman says, but that argument can be applied to a whole range of activities. When a national furniture company went bust, those who bought furniture, fixtures and fittings from it lost their money. If we start from the basis of ensuring that no one loses money when engaging in a particular activity, we simply put up the cost of many of the associated goods and services in the process.

I am simply trying to point out that the world is somewhat different from 30 years ago. Back then, if an airline went bust there was often no choice of other airlines, because often, only one airline operated from a particular airport. These days, airlines are fighting for business, so passengers usually have a lot of choice. People are more aware of the risks than they used to be, so I tend toward the view of having less intervention, and of allowing people to make a reasonable and responsible choice on the basis of the information available.

The civil aviation industry is a great British success. A bargain has to be struck, in that, if expansion is to take place, we need to do a lot more, particularly in terms of noise. As many of the Members who live near to, or represent constituencies near to, airports have attested today, this is a big issue for their constituents. I agree with the point made by the hon. Member for Manchester, Blackley (Graham Stringer). Aircraft are quieter now, certainly compared with those on which I used to travel abroad when I was a lot younger. Technology will march on and they will get quieter still, which will help in dealing with the noise problem.

This is a great industry, but as Members have said today, it is clear that we need to strike a proper balance. We will need to consider the detail of the Bill in Committee, in order to establish whether it will tighten up the regime, or whether the various airlines will end up getting out of some of the existing agreements.

8.5 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to be called to speak in this debate, not least because I was unable to be present for the opening speeches, for which I apologise.

I have a particular interest in this Bill, not least because the so-called Nottingham East Midlands airport lies in the northern tip of my constituency. Its origins date back some 40 years, when it was called Castle Donnington airport; indeed, it celebrated its 40th anniversary only recently. We need to recognise that it has become a major economic driver in the east midlands, providing at least 7,000 jobs for people in the vicinity. Holidaymakers from around the region make extensive use of charter and other flights from that

[David Taylor]

airport. As my hon. Friend the Member for Manchester, Blackley (Graham Stringer) said, it was sold some years ago by the constituent local authorities to National Express because they were unable to raise the capital—this was during the time of the previous Conservative Government—to invest in the necessary infrastructure development. More recently, it was sold to the Manchester Airport Group.

There is a need for legislation such as this, but we must recognise the efforts of the airport management in its various guises over the years to ameliorate some of the environmental downside of the operations for which it is responsible. It has produced noise-preferential routes, and it makes some use of track monitoring and of penalties for planes that do not operate within the established constraints. There has been some encouraging news in the past few months with the appointment of a new managing director of Nottingham East Midlands airport, Penny Coates, and I am somewhat encouraged by the early signs.

Why do we need a Bill such as this? In short, despite the enduring and magnificent efforts of organisations such as the Association of Airport Related Parish Councils, PAIN—people against intrusive noise—and Wings, progress has been painfully slow. Because of changes to flight paths, we have recently witnessed cavalry coming from the south of the county—from "Fort Harborough"—to help the long-running campaign of others.

This may well be a well-intentioned Bill, but as others have said, it seems to lack any significant coherence or the framework of an overarching strategy. It tends to confuse and blur the distinction between, and the separate roles of, an airport authority and a regulatory authority. It uses the term "airport authority" throughout, but it delegates to airports the regulatory power to limit and monitor noise. Like many of the organisations and individuals who contact me, I consider this a serious weakness. Airports are commercial entities whose client-firms' activities produce environmental downsides. They are not, and never can be, fully effective regulatory bodies.

Airports have little direct commercial interest in the significant reduction of the noise inflicted on neighbouring communities or on those who live under their flight paths. So the incentives to influence the number, type and timing of airport traffic movements are very weak. The Bill assumes that airports can curtail or regulate their own operations in the interest of the environment. That is a brave and bold assumption that is a little like "Physician, heal thyself."

That underlying assumption is the fault line that seriously weakens the ability of the Bill to deliver real, lasting and sustainable environmental improvements. The Bill is the progeny perhaps of an illicit liaison between the Department for Transport and the aviation lobby, conceived on a noisy night when neither could sleep.

Aviation and airports are important economic drivers and contribute in aggregate about 1 per cent. of GDP, but they do pollute. The power to curtail or regulate this pollution should not be given to the polluters themselves. Self-regulation in the face of commercial interests is unlikely to work.

On noise control schemes, there has been a long-running fight in the county of Leicestershire for the designation of Nottingham East Midlands airport. The Bill proposes that the powers to regulate designated airports in the south-east remain with the Secretary of State. I said earlier that, at the very least, parallel powers for the regulation of non-designated airports ought to be the province of an appropriate, elected, accountable, responsible and visible local authority. I am keen to see that the Bill be amended in this way.

Following the publication of the aviation White Paper in December 2003—it said that the Government would "bear down" on night noise especially—I was present in the Chamber when the Secretary of State referred on several occasions, as well as in correspondence and media interviews, to "stringent noise controls." That phrase is burned into my heart, in the way that Calais was said to be burned into the heart of a previous monarch of our country—that is what will be there at my eventual demise. "Stringent noise controls" would be sought, particularly at regional airports. But how can we get those when the powers in the Bill are discretionary?

There is no evidence as yet of any bearing down on night noise or of stringent noise controls. The Secretary of State has not yet delivered on that commitment of 18 months ago and he should account for his intentions in that regard. I hope that he will urgently set some quantified targets, based perhaps on the World Health Organisation target for community noise.

The Melbourne Civic Society, many of whose members live in my constituency, argued correctly that the proposals for noise control schemes lacked any meaningful provisions to ensure night noise reduction or limitations. There is no requirement for any airport to set any limits—for example, night noise levels—and no provision to penalise an airport for exceeding a noise control scheme. The noise control scheme provisions seem to some to be perverse measures that would allow airports to avoid applying any noise limits. The group's conclusion, and mine, is that these schemes should be made obligatory, with specified target noise levels.

I have referred to my criticism of clause 2 and will pass on to the clause that removes the obligation, with regard to designated airports, on the Secretary of State to place a limit on the number of flights. This allows him merely to regulate on the basis of accumulated noise; this is not a panacea for tackling future problems. The ability to control on the basis of accumulated noise appears to be an attempt to circumvent the night movements cap and thus to increase the number of night movements at designated airports. I was not surprised to hear Members from both sides of the House who represent the south-east expressing their worries about that part of the Bill.

Clause 4, on the power for aerodromes to establish noise control schemes, is in principle desirable, but it is vested in the wrong authority. Such control is discretionary, and without targets or limits, and the effect will be that airports will avoid where they can any meaningful limits on noise. They will not apply themselves seriously to any form of noise control scheme that limits types of aircraft, such as the noise levels of an aircraft, numbers or night restrictions. Nor will they apply themselves seriously to any limitation on the cumulative amount of noise. Such noise control

schemes formulated by airports would set the limits so high, so as to have no real effect on reducing noise with little or no benefit to the communities that lie around airport peripheries or under flight paths.

At the moment, there is no requirement for an airport to establish noise control schemes and this part of the Bill should be amended to include powers for the appropriate local authority to direct an airport to establish, amend or revoke a noise control scheme.

The clause amends clause 38C of the Civil Aviation Act 1982 on breaches of noise control schemes. This element of the Bill illustrate the weakness of the proposal, because if a noise control scheme were meaningful in controlling noise, there would be overall limits on aircraft movements or noise. Exceeding those limits would constitute a breach of the scheme, but that would be the responsibility of airports. The airport would be fined, but airports tend not to be keen on fining themselves. That part of the legislation is illogical and inadequate and one can see quickly that it is poor law. There must be some provision to fine airports for exceeding noise control schemes.

We still lack a level playing field, or runway, between the environment and the economy, between the market and democracy and between airport communities and airport users. We have a position where night noise from the heavens can make airports neighbours from hell and we still appear to be flying into trouble. I agree with the hon. Member for Putney (Justine Greening) that an opportunity has been missed. In Committee, we have the authority, time and membership to remedy some of the deficiencies in the Bill.

I will give the Bill fair wind, no pun intended, but improvements have to be made and I am sure that the Committee can do that. I am sure that I will vote on Third Reading for the measure with rather more enthusiasm than I can muster for its Second Reading, should there be a Division tonight.

8.18 pm

Dr. John Pugh (Southport) (LD): This is a Bill of one big issue and several smaller ones. I shall refer to the smaller ones first. First, there is a review of the position of local authorities on airports. I am in two minds about the proposals. I once served on a local authority that handed over its airport, John Lennon airport, to private ownership. Looking at the new powers, one feels slightly envious. At that stage, we were not worried about subsidies, to which the hon. Member for Manchester, Blackley (Graham Stringer) referred, but about liabilities.

Another small issue of which we are vaguely supportive is bolstering safeguards for holidaymakers; no one is agin that. Also, the Bill replaces an appeal mechanism for route licences with a consultative mechanism and a judicial review. I am relaxed and happy, if not especially excited, about that. There is also the right of the Secretary of State to command health safeguards, which we all welcome and applaud.

When that is stripped out, we are left with a Bill that tries to use economic instruments for environmental effects, which is the real test of the Bill. The Bill is largely silent on the favoured main method for addressing emissions, which is emissions trading. Members will be aware that the Tyndall Centre for Climate Change Research recently produced an horrific report, in which it was sceptical about the utility even of emissions trading in solving the crisis we will get into: effectively, that airline emissions are going to exceed carbon dioxide emissions very shortly. The key test for the legislation is how it deals with that.

The Bill will allow a scheme of charges, weighted for noise and emissions. It appears to allow flexible and sensible administration of that scheme, taking into account not simply numbers of flights, but volume, frequency, noise contours, direction and timing—all the factors necessary for sensitive assessment. If it is not done properly, it will be backed up by the Secretary of State's powers to intervene. The scheme will be consulted on with the industry and will presumably, in the end, benefit the surrounding community.

If one looks at the Bill in those terms, one cannot genuinely argue against it, but one can seriously question whether it does enough. The fundamental flaw, which has been mentioned by several hon. Members, is that the principle behind it is that aerodromes will charge customers at no real economic benefit to themselves. As both parties are commercial enterprises, that is an odd commercial model. If it does not work, an element of Government coercion and pressure will come to bear, as well as public pressure. The scheme will happen in some way or other, but if the Government become lax over time or are too easily fobbed off by the aerodromes, and the community is bought off, in one way or another, will the Bill really be enough to keep a downward pressure on noise, pollution and environmental damage?

We all acknowledge, after all, that we are working in a competitive economic environment, with many new airports coming on line, including some by the sea—we heard the hon. Member for Vale of Glamorgan (John Smith) speak rapturously about how easy it was to get to Cardiff and how, presumably, it could be done with very limited environmental damage. However, if we could go back in time, nobody would choose Heathrow as a natural site for an airport. Other airports may be developed that present a more relaxed environmental regime, and what then will happen to the major airports? The schemes that they have started, which initially have real bite, could over time end up relatively toothless. Commercial reality will at some point kick in and trump environmental considerations, especially in a global marketplace, as other hon. Members have pointed out. In the north-west, on environmental considerations alone, John Lennon airport would be expanded more than is presently proposed on the ground that take-off could be over the river. On the other hand, one would not necessarily expand Manchester airport, because more environmental hazards are present. However, both are being expanded, predicated on an increase in air traffic in general, so the result will be more kerosene from more fuel-efficient aircraft.

The commercial edge, which the Government recognise, is displayed by the fact that the objects of the penalty and charge schemes—the carriers, with whom the aerodromes trade—are included as consultees. However, as I pointed out to the Minister, it does not appear to be a statutory requirement to consult the local community when drawing up a noise control scheme. The local community may be consulted and it may be

[Dr. John Pugh]

good practice to consult it, but if it is not consulted or the consultation is unsatisfactory, it is not obvious what formal redress the community would have. I am sure that all people who live near airports would relish a more active role in setting the standards and in gauging the effect. As the hon. Member for Rutland and Melton (Mr. Duncan) said, assessing noise is a complex and possibly subjective business, because it strikes people in different ways. That means that consultation with the local population could add something. People in Cheadle, Nottingham or Blackpool could have an input, but the Bill does not appear to require that that input be taken properly into account by the aerodrome.

It is wrong to criticise legislation for not doing something it was never intended to do, but the Bill has missed a trick that would be useful, helpful and timely, and that could be achieved without much kerfuffle. We could specify a minimum standard of airport security in the Bill, which is a critical issue due to the genuine concerns about terrorism affecting airports. Regional airports see much people trafficking, and those responsible often target the weaker security at some of the newer airports. The massive expansion likely in airports will also lead to problems. Airport security is often administered by a range of bodies that do not always co-ordinate well. It would be helpful if the Government could find some opportunity to consider the environmental dangers of airport expansion and some of the security elements.

8.25 pm

Adam Afriyie (Windsor) (Con): I thank the hon. Member for North-West Leicestershire (David Taylor) for his excellent and balanced contribution, as well as the hon. Member for Southport (Dr. Pugh) for his straightforward view of some complex issues.

From the contributions we have heard, the aviation industry is clearly a key concern not only for my constituents but for residents under flight paths throughout the UK. The economic benefits of the industry are undeniable. Thousands of jobs depend on Heathrow airport, especially among those living in Poyle and Colnbrook, close to the airport. Pilots, engineers, stewards, ground crew, drivers, cleaners and construction workers enjoy jobs and incomes supplied by our noisy neighbour at Heathrow. It is important that those livelihoods are maintained, locally and throughout the country. I therefore broadly approve of the measures in the Bill, but a balance must be struck between the economic benefits and protecting and improving the quality of life for all those living under flight paths.

Over the past couple of years, I have spoken with some 4,000 residents across the Windsor constituency and I have received hundreds of responses to residents' surveys. I have attended key aircraft noise meetings and I have met and exchange correspondence with BAA, pressure groups such as HACAN ClearSkies and Ministers.

There are several ways in which the quality of people's lives can be improved without undermining the continued success of the aviation industry, but it will take political will, and careful scrutiny and amendment of the Bill in Committee. As my hon. Friend the Member for Putney (Justine Greening) ably pointed out, the noise of a single aircraft can ruin a good night's sleep. In my constituency, the residents of Datchet, Horton, Wraysbury, Windsor, Poyle, Colnbrook and Old Windsor know that only too well. It is the actual noise of the aircraft hitting the eardrums of residents that counts, not the theoretical noise of an aircraft engine in a factory.

I call on the Minister, and the others who will scrutinise the Bill in Committee, to try to move towards monitoring and recognising the actual noise on the ground, both in airports and in surrounding areas. I also urge her to consider elongating the night-time period to between 11 pm and 7 am, so that people can get a good night's sleep.

Will the Minister encourage BAA to use the latitude granted with the use of variable landing fees? If a quieter aircraft were charged significantly less to land at night than a noisy aircraft, the commercial pressures would enable the airlines to change their behaviour quickly. If a dirtier, more polluting, less fuel-efficient aircraft were charged significantly more, I am sure that the airlines would introduce more environmentally friendly aircraft more quickly, without the need for additional legislation.

If the environmental issues are of concern, does the Minister accept that, with the projected increase in air traffic, the Kyoto targets for 2010, 2020 and 2050 could be missed? If so, what action is suggested in the Bill to put that right? It seems to be a hotch-potch of small measures, many of which I welcome, but it does not tackle environmental pollution.

At present, we have a complex system of noise quotas averaged over various lengths of time and across various areas, but I emphasise again that it is not the average level of noise that ruins the quality of life. A single noisy aircraft at, say, 4.30 am—it could be a 747 coming from the far east—can ruin a good night's sleep.

Heathrow has both a movement limit and a noise quota. By removing the movement limit, the Government could open the floodgates to an unlimited number of flights if the noise of individual flights is reduced, even marginally. I hope that today the Minister will confirm, and give a guarantee to the people of Windsor, that no more movements will be allowed in or out of Heathrow. Or will she fail to do so, thereby confirming our fears that this is a back-door route to increasing the number of flights?

If the Government truly care about the quality of life of people under flight paths, they must do all they can to maintain the 480,000 flight limit at Heathrow, to extend the night-time period and to provide commercial incentives—or encourage their use—towards quieter aircraft and less aircraft noise on the ground. I urge Ministers and members of the Committee that will scrutinise the Bill to do their utmost to try to fulfil those goals.

8.33 pm

Mr. Julian Brazier (Canterbury) (Con): We have had an interesting debate, which has highlighted the sometimes contradictory passions and pitfalls that aviation in the 21st century generates. My hon. Friend the Member for Rutland and Melton (Mr. Duncan) said that the Bill represented a golden opportunity for the

Government to set out a coherent vision for the future—a vision that is desired by the airlines as much as by the public.

We have heard interesting contributions from all parts of the Chamber, but to pull the debate together, we needed a clear view from the Government. My hon. Friend the Member for Windsor (Adam Afriyie) said that the opportunity to set out an environmental vision had been missed, and to my mind, any vision across aviation as a whole is lacking.

We in the Conservative party are proud of our record on environmental issues. The Conservative Government achieved a reduction of more than 7 per cent. in CO_2 emissions; they started to rise again shortly after we left office. That should come as no surprise. After all, it was the Conservative Government under Macmillan who introduced the first Clean Air Act in 1956, which cleaned up the famous smogs of London. Indeed, to go back much further, the beginnings of public health legislation in the 19th century started under Benjamin Disraeli.

Many figures have been quoted from all parts of the House to illustrate the colossal benefits of aviation. The most impressive single barrage probably came from the hon. Member for Manchester, Blackley (Graham Stringer), with the benefit of his special experience. We have heard about the £10 billion in earnings, the hundreds of thousands of people who work directly and indirectly for the industry, and the fact that aviation is worth as much to this country as the entire car industry.

It is, of course, the task of Government to marry the difficult aims of sorting out the environmental challenges, while still allowing people to experience the ever expanding delights and wonders of the opportunities afforded by air travel, and keeping our airlines as competitive and profitable employers. It is a very difficult equation to balance, and there was precious little from the Government this evening on how we are to achieve it. Having read the White Paper, it remains difficult to see what way forward the Government envisage.

Airports can already make charges with respect to pollution and noise. The Bill puts the former into law and increases the Secretary of State's powers with respect to the latter. Both sets of measures are presented as reflecting concern for the environment and for quality of life. The proposed new section 38 expressly justifies charges to encourage the use of "quieter aircraft" and aircraft "which produce lower emissions". It also refers to

"controlling the level of noise or atmospheric pollution in or in the vicinity of the aerodrome".

But we already have such measures in place, so how have they worked so far? No one listening to the speeches of Members who represent constituencies near airports could be in any doubt that they are not working at present.

Airports, by definition, have a huge vested interest in having planes land, which is all they exist for. The Bill makes them both the beneficiaries of pollution through higher receipts—they are the only people who could possibly benefit in that respect—as well as the guardians of our only environmentally conscious policy on aviation. The Bill sets no targets and produces no sliding scales or incentives. We do not know how those aspects will be measured or know for certain who will monitor them. Are airports to do all that entirely by themselves? They certainly do not do much of a job on flight paths, as the shadow Secretary of State, my hon. Friend the Member for Rutland and Melton (Mr. Duncan), my hon. and learned Friend the Member for Harborough (Mr. Garnier) and my hon. Friend the Member for Hertford and Stortford (Mr. Prisk), among others, have pointed out. Indeed, with Manston close to my own constituency, I receive plenty of complaints about flights over places where there are not supposed to be flight paths. I imagine that they are the same people who complain to the Minister of State, in whose constituency Manston lies.

Mr. John Horam (Orpington) (Con): My hon. Friend hits on precisely the right point. As I know in respect of my own local airport, even where agreements about noise regulation and noise monitoring are in place, the monitoring simply does not take place. That is a fact.

Mr. Brazier: My hon. Friend is absolutely right. The record of individual airfields is uneven, with some doing better than others. It is certainly true, though, that we now operate under the absurdity whereby it is all in the hands of the airfields themselves. The Government state that they want to lower noise and emissions, but there is also the additional point—the Minister did not touch on it at all—about the trade-off between noise and the two sorts of emissions. Aircraft design can largely determine the extent to which planes do better at one at the expense of the other, but we have heard little discussion today about how the two are to be traded off.

More importantly, as several Members—including my hon. Friends the Members for Hertford and Stortford, for Putney (Justine Greening) and for Windsor, and, indeed, the hon. Member for North-West Leicestershire (David Taylor), who is sadly no longer in his place—have said, the Bill could have one particularly perverse effect by removing the caps on night flights to many airfields in the country. When my hon. Friend the shadow Secretary of State delivers his crate of Nightcap, brewed in his own constituency, to the Secretary of State, I hope that the whole ministerial team will reflect on the fact that that aspect of the Bill would be a step backwards.

Dr. Ladyman: I do not believe that I owe the hon. Member for Rutland and Melton (Mr. Duncan), who opened the debate for the Conservatives, any favours, since he promised the crate of beer to the Secretary of State rather than to me. However, I can confirm, as I made clear in my opening remarks, that the Bill will only allow arrangements to be changed. We are not ordering any change in arrangements; indeed, I said quite clearly, "If it ain't broke, don't fix it", which will be our watchword. If any changes were to be made to the noise regulations that govern the way in which particular airports are controlled, they would be implemented only after extensive consultation.

Mr. Brazier: I hear what the Minister says, but he has not addressed the central point that these matters will be policed by the airports themselves. There is an even greater problem in the case of airports that are not designated than there is for those that are. The Bill, like so many, including one in which the Minister and I had

[Mr. Brazier]

an interest when he was in his previous Department, gives huge powers without being clear about how they will be exercised.

Members on both sides have raised the specific issue of night flying.

Alan Keen: Does the hon. Gentleman recall that about 10 years ago when his party was in government, it reduced the number of night flights? Unfortunately, it did that by reducing the length of the night. When my local paper asked for a comment, I said it might be a good idea to adopt the Arctic summer night and have no night flights at all. Perhaps the hon. Gentleman should warn his colleague, the hon. Member for Windsor (Adam Afriyie), not to extend the length of the night again or he might get the blame for increasing night flights.

Mr. Brazier: The hon. Gentleman makes his point, and it is very amusing, but we are trying to sort out where we go from here. His party has been in government for eight years. During that time, and in other parts of the world, too, huge advances have been made in aviation design to reduce noise. Some, unfortunately, have been traded off for an emissions record that is not as good.

We must ask where we go from here. The clear message from both sides of the House is that a system under which the airports police themselves will not be satisfactory. A system in which it seems the safeguards against night flying will be even weaker is certainly not satisfactory.

The Bill, uniquely, allows airports to establish their own penalty schemes to fine aircraft operators whose aircraft exceed noise limits when taking off and landing. That is a dubious principle, and my hon. and learned Friend the Member for Harborough called it the privatisation of justice.

Two or three Members have alluded to what the Bill has to say about that. It contains one of the most extraordinary phrases I have seen in a piece of legislation:

> "A relevant manager who receives penalties under a penalty scheme shall make payments equal to the amount of those penalties for purposes which appear to him to be likely to be of benefit to persons who live in the area in which the aerodrome is situated."

The hon. Member for Thurrock (Andrew Mackinlay) objected to that with the candour for which he is well known. The mind fills with colourful examples. Might a "relevant manager"—a magic phrase clearly specified in the Bill—decide that his or her brother-in-law's bungalow would benefit from double-glazing to keep out noise? What about the sports and social centre most accessible to the airport's workers? There is, of course, no mention of any benefit for those who suffer from low flying but who are not in the vicinity of the airport.

There may be further ridiculous consequences. One of the most extreme examples was cited by the Liberal Democrat spokesman, the hon. Member for Carshalton and Wallington (Tom Brake): the operator for Coventry airport is TUI, the company behind Thomsonfly, for which Coventry is the main hub. Do we really believe that that operator will be fair and balanced in policing the activities of a company that belongs to its own financial group?

My hon. and learned Friend the Member for Harborough raised the problems with Nottingham East Midlands airport and other non-designated airports. Frankly, the Bill offers little for people concerned about those.

Meanwhile, in the south-east, the wealthy BAA, which has a virtual monopoly with more than 90 per cent. of aviation by passenger in the south-east, is in a strong position to bully individual airlines locked in a very competitive market. I have made it clear that I share the concerns of those who worry that there is no independent policing of airports. On the other hand, there is nothing to stop a monopolistic operator bullying individual airlines, which would at least benefit—from the public's point of view if not from their own—from a competitive market. Indeed, large parts of the Bill could have been drafted by BAA—perhaps they were.

The Bill does not focus on the airlines' positive ideas for doing something about the emissions problems, such as emissions trading. In fact, it took an intervention from the right hon. Member for Livingston (Mr. Cook) to get the Minister to discuss that at all. Nor, to the best of my memory, was the industry's exciting document "Sustainable Aviation" mentioned at all. It is true that the EU controls emissions trading, but surely the Government have an opportunity to show some leadership and do something positive—I might even quote that old phrase about not finding ourselves isolated in Europe. Surely, we could get some excitement going across borders about those ideas and work with the airlines, too.

I do not want to provoke you, Mr. Deputy Speaker, by taking my remarks too wide, but I have a close connection with two small businesses a million miles away from aviation; one is owned and operated by my father, and my wife works for the other. Vast quantities of regulation are constantly being poured on those businesses, so how must BAA, an organisation whose activities affect the lives of hundreds of thousands of people, regard the amount of regulation it faces? We need to strike a balance.

While we are on the subject of the EU, I was thoroughly disappointed that the Minister made no mention of the European Aviation Safety Agency. He was right to say that we must look at research into deep vein thrombosis and other conditions, and the hon. Member for Vale of Glamorgan (John Smith) made some telling points about that, but why should airlines operating in Britain pick up the full bill when that research benefits people throughout Europe?

It is equally important when considering air safety to look at issues such as certificates of airworthiness. Does the Minister feel comfortable that responsibility for those certificates is being moved from the CAA to EASA when that organisation shows little evidence that it is competent to take it on?

When we look more closely at the powers that the Secretary of State is giving his officers to deal with noise and vibration, they appear to be both great and vague: great in their potential but vague in their benefit. For example, the Secretary of State will be given the power to direct an airport manager to use a particular runway.

The explanatory notes tell us that the same powers could be used to require an aircraft to take off or land in a given direction at a given time. One phrase says it all:

"So directions could be used to move noise from one area to another, even if this does not limit or mitigate the total amount of noise suffered generally."

What does the Secretary of State envisage himself doing? He could almost become an airport manager. We have discovered that airport managers will be given marvellous extra powers to shell out money. There is almost no end to the Secretary of State's talents. Will there be a hotline direct to his office? Our constituents could call at a moment's notice to deal with a plane that was making too much noise.

The clear message from my hon. Friends is that proper action is needed based on modern measurements of noise, taking into account all the factors brought out by Members on both sides of the House, such as low vibration and the distinction for night flying. I shall not reiterate all of them. That action must be backed up by the proper tracking of aircraft, which is not happening at present, as we all know. What possible good will the Secretary of State's new powers do, except to give the appearance that he is doing something?

Dr. Ladyman: I am unsure whether the hon. Gentleman is on foot or on horseback. When the hon. Member for Rutland and Melton (Mr. Duncan) introduced the Bill, he made it clear that Conservative policy was to designate all airports, but the hon. Member for Canterbury seems to be arguing against designation. Which is it?

Mr. Brazier: We are broadly in favour of bringing all airports on to the same footing, but we appear to have a funny situation in which the Secretary of State is giving himself incredibly detailed powers in relation to one category of airport, while another is unaffected.

I should like to turn finally to the dog that does not bark at all in the Bill but has filled a significant amount of the deliberations today: the proposals for airport expansion. We have set out our three cardinal principles: we must have robust emissions trading before we have airport expansion; there should be no cross-subsidy; and we need greater, genuine help for those who suffer blight. There is, indeed, a difficult decision to take on whether we need a new runway—it involves balancing the real requirement of the airlines for more capacity in the south-east at current growth rates against the environmental concerns that that growth rate may be more than the conditions for CO_2 and NOx emissions can stand—but, surely, the conclusion that we can firmly reach is the exact reverse of the one that the Government have reached. There is no case for building a new runway at an airport that has failed to attract any long-haul passenger business at all, that is operating below capacity and that has by far the longest of the three train services from London—a service that is deteriorating.

Overall, the Bill, if not a mouse, is at least a lot less than the House was hoping for. Little is firmly decided in it, and what has been decided is dubious and unbalanced. This week, we are celebrating at sea the 200th anniversary of the battle of Trafalgar: England expects something better for aviation.

8.51 pm

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): This has been a very thoughtful and balanced debate among hon. Members on both sides of the Chamber, although I am left a little confused by whether the official Opposition are arguing that we are doing too much or too little. The hon. Member for Canterbury (Mr. Brazier) certainly appeared to be making both points during a single speech.

As a new Minister, I am grateful for the fact that, both today and during last week's hour-and-a-half Adjournment debate on airports in the south-east, we have covered a wide range of issues that pertain to airports and aviation, quite a lot of which is outwith the purpose of the Bill, so I shall refer to it fairly briefly.

We have heard some extremely good individual contributions from hon. Members whose constituencies contain airports or are close to them and from those with a great deal of expertise in representing their constituents. My hon. Friend the Member for Crawley (Laura Moffatt) spoke very positively about the need and potential for developing local partnerships and argued that airports can be good neighbours. I thank her for welcoming the Bill. My hon. Friends the Members for Vale of Glamorgan (John Smith) and for Dundee, West (Mr. McGovern) also welcomed the Bill in making helpful and pragmatic contributions.

Adam Afriyie: The hon. Member for Vale of Glamorgan (John Smith) seemed to suggest that he would love to have a significant expansion of the air traffic into Wales. Will the Minister pursue that issue with him in any way?

John Smith: That is in the White Paper.

Ms Buck: As my hon. Friend suggests, I can only confirm that our policy on regional airports throughout the United Kingdom is spelled out in the White Paper, and we are strongly supportive of the growth of regional airports in principle, not least because that will reduce some of the pressures on the south-east.

I thank my hon. Friend the Member for Feltham and Heston (Alan Keen), who always champions his constituents extremely effectively. He can be assured that I should be delighted to seek his advice on this and other subjects at any time.

The hon. Member for Carshalton and Wallington (Tom Brake) asked how restrictions will impact on Coventry airport, and the answer is that such things depend on local circumstances. Of course, the statutory consultation committee in Coventry will pursue some of those issues, but I am happy to discuss them with him in more detail.

The hon. and learned Member for Harborough (Mr. Garnier) made a number of important points about Nottingham East Midlands airport, to which I shall return in a little more detail. He and a number of other Conservative Members expressed a common theme about the fact that airports might be reticent about exercising the powers that will be given to them under the Bill, and I shall return to that issue. My hon. Friend the Member for North-West Leicestershire (David Taylor) made a similar point.

[Ms Buck]

The hon. Member for Poole (Mr. Syms) made a thoughtful and balanced contribution. My hon. Friend the Member for Manchester, Blackley (Graham Stringer), who has a great deal of expertise in this area, put aviation in an economic context and pointed out that if the United Kingdom is to earn its living in a globalised world, aviation must play a vital role. I support what my hon. Friend said about the importance of developing regional airports.

The hon. Member for Hertford and Stortford (Mr. Prisk) made the case for his constituents on noise emissions. I remind him that any shift away from movements will be subject to consultation, and the consultation that is taking place on night noise is based on the existing arrangements. There are no proposals to remove the limits on day movements.

This debate and the debate last week on airports in the south-east ranged widely. Before moving on to some of the detailed issues covered by the Bill, I shall say a few words about the wider context of the Government's policies on aviation. We support a sustainable way forward that recognises the importance of air travel to our national and regional economic prosperity. Not providing additional capacity where needed would significantly damage the economy and our national prosperity. We recognise that people have a desire to travel. In a globalised world, and in an international city such as London, south-east people want to travel and to take advantage of the affordability of air travel. However, we have a duty, locally, nationally and internationally, to minimise the impact of airports and air travel on those who live nearby.

I respectfully point out to some Opposition Members who have criticised the Government on this issue—I think that the hon. Member for Rutland and Melton (Mr. Duncan), who is no longer in his place, was one, as was the hon. Member for Putney (Justine Greening)—that the Government introduced the commission that considered the project for the sustainable development of Heathrow, which is undertaking precisely the research that the hon. Lady and others have said is so necessary.

We believe that over time aviation should pay its external cost and that the activities that it imposes on society should be reimbursed. The price of air travel should reflect the environmental and social impact. The Bill is one of the ways in which we are seeking to implement that. That is line with the principle—

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Bearing in mind the social impact, can the Minister give me some assurances that aircraft using airports in the highlands and islands, an area which is probably the cleanest in the United Kingdom, will not be penalised in any way, especially when some particular aircraft are required, such as the Twin Otter which lands on the beach on Barra, for instance?

Ms Buck: The hon. Gentleman makes a specific point. I am sure that he has good reason for wanting to raise the matter. It is difficult for me to comment on the particular issue without knowing the details. I am sure that in principle we would seek to do just that.

Mr. MacNeil: Smaller airports might be limited to smaller and particular aircraft. They should not be unduly penalised when there is modernisation with a more efficient type of engine.

Ms Buck: The thrust of the Bill makes it clear that airports should work with partners, with the airlines, to strike a proper balance between the commercial interests of aviation and the noise and emissions that are produced. Local circumstances should be taken into consideration.

Mr. Garnier: It is all very well to talk about local circumstances, but the Government never decide what they mean by "local". Local may mean, for Nottingham East Midlands airport, the five-mile radius around the airport. My constituents consider the deleterious affects of the airport to be local. They are in the same county and the aircraft fly over their heads. If there were a freight truck company driving lorries through their villages all night, every 90 seconds, somebody would do something about it. If a factory were spuming out obnoxious fumes, somebody would do something about it. As it is the aircraft industry and because we are dealing with an airport and with flights, everybody seems to say that it is somebody else's business. I am not sure that the Bill gets to grips with that.

Ms Buck: I appreciate that the hon. and learned Gentleman and others have pursued matters to do with Nottingham East Midlands airport for a long time and have expressed their concerns. I am sure he will carry on doing that. The central thrust of our approach is that the airport is not failing in its duties to monitor noise levels, so there is no argument for intervention.

Our opponents try to portray our developing aviation policy as predict and provide. That is a deliberate misrepresentation. More capacity is needed, not to allow the unconstrained meeting of demand, but to act responsibly to support future economic growth and the UK's competitiveness. Several hon. Members referred to the broader issue of aviation's contribution to climate change. Although that is outwith the Bill's scope, it is an important point and we should use every opportunity to make the Government's policy clear.

Aviation produces carbon emissions equivalent to just 2 to 3 per cent. of the UK total. Emissions on international travel are not allocated to states under the Kyoto protocol. However, we are all aware that aviation has grown significantly in the past few years and is projected to continue growing. We flagged up in the air transport White Paper the fact that aviation emissions could amount to about a quarter of the UK's total contribution to global warming by 2030.

Some hon. Members referred to the recent report by the Tyndall centre. I welcome that contribution to the debate. The report is based on its projections of demand and emissions, which are in excess of the figures that we recognise. Its picture is unduly bleak. However, there is common ground and we all believe that action is needed. It is for that reason that we have taken an international lead in pressing for aviation emissions to be included within the EU emissions trading scheme from 2008 or as soon as possible thereafter. That will be a priority for the UK presidency starting this week. The advantage of emissions trading as a mechanism is that it enables us to

determine an environmental outcome and allow operators flexibility over how best they achieve that outcome.

That should assure the House that we are committed to working to tackle the major environmental challenges that aviation poses. The Bill includes more detailed measures that supplement that action and offer the prospect of making a valuable contribution to tackling environmental challenges at a local level.

Mr. Brazier: The Minister has not addressed the central objection that all monitoring—whether we are talking about noise, night flights or emissions—is by the airports themselves. That concern has been expressed by hon. Members on both sides of the House. Will she address it?

Ms Buck: I am about to move on to that. I was setting the environmental issues in a slightly broader context. They may not be in the Bill, but they are a legitimate concern to a number of individuals.

The Bill specifically relates to environmental aspects—noise and emissions—that can have an impact on the quality of life for those living near airports. Linking airport charges to emissions would be put on a statutory footing and the Government would have the ability to intervene should that be necessary if, for example, an airport is in breach of agreed EU air quality limits.

Amending the powers by which we control noise at Heathrow, Gatwick and Stansted will give us more flexibility to introduce measures to encourage the replacement of older aircraft with quieter new ones. A noise limit creates an incentive to use quieter aircraft in a way that movement limits on their own do not. As has been made clear, any change will be subject to full consultation. It is worth pointing out that between 1985 and 2003, the population exposed to daytime noise above the 57 dB level at Heathrow, Gatwick, Stansted and Manchester declined by 21 per cent. It is important that we understand that noise reduction can be achieved, and has been achieved, by aircraft.

Justine Greening: How do you know that for sure when you are not measuring noise in places like Putney?

The Parliamentary Under-Secretary of State for Education and Skills (Maria Eagle): By using the correct terminology.

Ms Buck: As my hon. Friend says, the hon. Lady should use the correct terminology.

The hon. Lady and, I think, the hon. Member for Windsor (Adam Afriyie) argued in the debate last week that we should have a different definition of noise to reflect the actual noise of aircraft, rather than their certification. As we explained in the consultation document on night noise, we have limited discretion under EU rules for doing what she suggests. There is an internationally recognised system of noise measurement, and that is the one that we adhere to. I am afraid that we are not in a position to implement her proposals.

The next night restrictions regime until 2012 will be based on current legislation—a number of people expressed concerns about that—and will continue to incorporate a movements limit. Airports' ability to set up noise-control measures and impose penalties on aircraft operators will be enshrined in statute, but airports should follow a balanced approach when introducing new measures. Hon. Members made some important points about noise measurement, including noise averages and the value of decibels to determine nuisance. Although the Government use well established measurements, we are undertaking further research to help us inform the debate.

David Taylor: Under what circumstances and in what way would the Minister intervene if a regional airport failed to introduce what was broadly seen as an adequate noise-mitigation system?

Ms Buck: Discussions on NEMA have revealed a desire that the Secretary of State has power to intervene to designate if we believe that the airport is not acting effectively.

David Taylor: Which powers in this Bill?

Ms Buck: The powers are extant and we believe that they are adequate for the purpose.

Mr. Garnier: What evidence does the hon. Lady have that Nottingham East Midlands is doing what she says or thinks it is doing? Our experience in Leicestershire is that it is a thoroughly inadequate responder to public concern.

Ms Buck: I understand that the hon. and learned Gentleman and others take that view, but the review in 2002–03 did not give the Government any reason to believe that the airport is failing to undertake its duties effectively to control noise. The power to intervene and designate remains and would be used if there were grounds to believe that the airport was failing to implement controls effectively.

Several Opposition Members expressed their dislike of airports having the duty to impose penalties, arguing that they would not be willing to do so. In fact, airports have a long history of imposing penalties. I was pleased to note that the hon. Member for Southport (Dr. Pugh) recognised that, even though he went on to express some reservations. One major airport has cited legal reasons for failing to tackle the planes that fly off noise-preferential routes, illustrating both a willingness to use new powers and the reason why the powers in the Bill are required. As my hon. Friend the Member for Manchester, Blackley, with his considerable experience, pointed out, successful airports rely on good community relations. We do not believe that we need a new quango or another layer of bureaucracy; we need the clarification of powers in the Bill.

Mr. Brazier: The Minister has been generous in giving way but still has not addressed the central issue that nobody except the airports themselves monitors noise, emissions, whether flight paths are accurate, and so on. What independent check of any sort is there in prospect?

Ms Buck: The power of designation remains if we believe that airports are failing in their duties. We believe that airports will use the powers. Indeed, we have

[Ms Buck]

been lobbied by airports for a clarification of them. If that fails, the power of designation remains as a fall-back.

We do not believe either that the proposals constitute a privatisation of justice, as asserted by the hon. and learned Member for Harborough. Penalty schemes are not criminal; they are economic incentives for good performance and we believe that they will be effective.

Mr. Garnier: The hon. Lady says that the penalties are not criminal, but they are still penalties. They are still a disbenefit to the organisation that is fined and still a penalty under the European convention. She must get her head around the fact that something disobliging will happen to the aircraft operator—or not. It is no good bandying semantics. We are talking about an organisation that has an interest in not fining and in not setting a penalty.

Ms Buck: I do not believe that it is a question of semantics. As I said, airports want the powers to be clarified so that they can implement them.

A further issue relevant to Nottingham East Midlands airport is flight tracking, which was referred to by the hon. Member for Rutland and Melton and other hon. Members. If a plane has not come from Nottingham East Midlands, the airport sometimes cannot identify it because complainants often cannot provide sufficient information to allow it to do so. The Government are trying to determine what else can be done to address the problem, but it is a technically difficult matter. I am grateful to my hon. Friend the Member for Manchester, Blackley for offering to assist by trying to find a way to provide further information.

Aspects of the Bill relate to consumer protection and all hon. Members should welcome the provisions on the replenishment of the travellers fund. The 15th report of the Transport Committee of the Session 2003–04 said:

"A public protection scheme should not be forced to rely on deficit funding for so long. The Government must swiftly introduce legislation to provide the long overdue levy-making power, even if it rejects the case for wider reform of financial protection."

As my hon. Friend the Minister of State made clear earlier, we have not rejected that case, although we have not included provisions on it in the Bill.

I have, as intended, listened closely to the arguments advanced today as part of our decision making. The issue is not straightforward. The Transport Committee urges us to choose a mechanism that allows airlines in a sound financial position to derive an advantage from that fact. However, a flat £1 levy would not distinguish between the sound and not-so-sound airlines. Arguably, it could distort competition in favour of tour operators because package holiday makers would pay the same levy as a passenger on a no-frills flight to Paris, yet could be eligible for a refund on a long-haul flight, three weeks' accommodation and car hire.

We have heard arguments in favour of improving consumer information instead, and it has been pointed out that we do not compel travellers to take out medical insurance or hold an E111 form. On the other hand, a flat levy is easy to understand, which cannot be said of the status quo, in which the boundaries between what is and what is not covered by ATOL are confusing. In short, the arguments are finely balanced and the Government will reflect on the views of the House. We will not have a referendum in which the numbers of representations in favour are compared with the number against. The decision will be based on political judgment.

The Bill will transfer the cost of the CAA's aviation health unit from the taxpayer to the aviation industry. That will be a much fairer arrangement because those who benefit from the service will pay for it. The Bill will sweep away unnecessary restrictions on public airport companies to allow them to develop their businesses. By abolishing appeals to the Secretary of State on route licence applications, we will speed up the take-up of new air services, thus benefiting the consumer.

The hon. Member for Carshalton and Wallington asked whether there would be a cost increase if there were additional recourse to judicial review. At present we believe that airlines appeal almost automatically to the Secretary of State, so we hope that by concentrating their minds on the prospect of success, the number of appeals will fall, thus bringing down costs overall.

The Bill is fair—fair to airports, fair to airlines, fair to those exposed to noise and pollution and fair to consumers. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

CIVIL AVIATION BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Civil Aviation Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 7th July 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Alan Campbell.]*

Question agreed to.

CIVIL AVIATION BILL [*WAYS AND MEANS*]

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Civil Aviation Bill, it is expedient to authorise the making of provision requiring contributions to the Air Travel Trust to be made by persons applying for, or holding, licences by virtue of section 71 of the Civil Aviation Act 1982.—*[Mr. Alan Campbell.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Michael Lord): With the permission of the House, I shall put together motions 5 to 9.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Northern Ireland

That the draft Unauthorised Encampments (Northern Ireland) Order 2005, which was laid before this House on 21st February, in the last Session of Parliament, be approved.

Climate Change Levy

That the draft Climate Change Levy (Combined Heat and Power Stations) Regulations 2005, which were laid before this House on 10th March, in the last Session of Parliament, be approved.

That the draft Climate Change Levy (Fuel Use and Recycling Processes) Regulations 2005, which were laid before this House on 10th March, in the last Session of Parliament, be approved.

Constitutional Law

That the draft Adults with Incapacity (Scotland) Act 2000 (Consequential Modifications) (England, Wales and Northern Ireland) Order 2005, which was laid before this House on 25th January, in the last Session of Parliament, be approved.

That the draft Education (Additional Support for Learning) (Scotland) Act 2004 (Consequential Modifications) Order 2005, which was laid before this House on 25th January, in the last Session of Parliament, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Zimbabwe

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

9.14 pm

Kate Hoey (Vauxhall) (Lab): I am grateful for the opportunity to raise a serious issue tonight: the humanitarian crisis that faces Zimbabwe. I am especially grateful that the Speaker enabled the debate to happen so soon after I returned from Zimbabwe and even more grateful that we have a reasonable amount of time—although I appreciate that perhaps you thought that you would have an early night, Mr. Deputy Speaker—to consider the issue and allow one or two other hon. Members to intervene.

As I left Zimbabwe only 10 days ago, people begged me to take their message to the outside world. After the dreadful sights that I witnessed when travelling through Matabeleland, Midlands and Mashonaland, I have no doubt about my responsibility to get the message out. I was fortunate in that, with the help of some brave Zimbabweans, I was able to get some good film and video footage, which has been shown widely on international broadcast networks. That is especially important because, as we all know, there are no independent media in Zimbabwe. There is no longer an independent daily newspaper and, although *The Zimbabwean*, which is put together in London and printed in South Africa, gets around Zimbabwe, it does not reach nearly as wide an area as *The Daily News*.

I begin with the words of a young Zimbabwean, who sent me a message today before the debate. He said:

"When you speak on Monday, you speak knowing that our thoughts, hopes and prayers go with you. We want the world to know what is happening here."

As hon. Members will remember, I previously visited Zimbabwe in 2003, again undercover, when I saw the thousands of displaced farm workers who had been put off their farms after many white farmers had been displaced. I saw then that little farming was happening on those farms. Roads alongside them were full of dying crops and those that had not even been planted. However, since my previous visit, ordinary Zimbabweans' plight, which was dreadful then, has become much worse, and the regime's actions far more shocking. Unless resolute action is taken, I fear that the humanitarian crisis in Zimbabwe will move to a new and even more sinister phase.

For the past six weeks, Robert Mugabe's regime has been engaged in a brutal and systematic mission to destroy the homes and livelihoods of some of the poorest people in Africa. There is no shelter for many of the thousands who have been displaced. The original figure of 250,000 that somebody somewhere in the United Nations cited is wrong. Even in my short time there, I could see that the numbers of those displaced are far greater—750,000 to 1 million people. Most of them are without shelter at night in winter.

Bulawayo, Kwe Kwe, Gweru and Harare were among the places that I visited and witnessed the terrible scenes of the aftermath of Operation Drive Out Rubbish or Operation Murambatsvina. In Killarney camp on the outskirts of Bulawayo, I saw the police attacking people's homes. Many had lived there for 20 or 25 years. Grotesque scenes of burning houses were spread across the landscape, smoke rising from the burning thatch.

[Kate Hoey]

I watched as teams of police clubbed or bulldozed walls and brought corrugated iron roofs crashing to the ground.

Later in Harare, when I met Morgan Tsvangirai, leader of the opposition Movement for Democratic Change, he described what was happening as Pol Pot in slow motion. He and others have since used that description internationally. They are strong words, but from what I saw, they are truthful. In the narrow streets of Makakoba, Bulawayo's oldest township, I saw truckloads of armed police in riot gear, simply standing around and forcing families to knock down their homes. Some families had built shelters at the back for the many extended members who had been displaced from the rural areas because of what had happened on the farms and come to urban areas. Those shelters were being forced down, and it was quite tragic to see people trying to rescue tiny bits of corrugated iron, brick and stone to take away and use somewhere else.

Killarney was the settlement on the outskirts of Bulawayo that I had particularly wanted to go back to, because I had visited it when I was there before, and attended church in one of the small huts there with the pastor. When we went back on that Sunday, it was the day when the people were being removed, and the church had already been demolished. What happened was deeply moving, because many of the churches of all denominations in Bulawayo had managed to scrape together enough fuel, which is in incredibly short supply there, to bring their own vehicles and to carry a few desperate families away to a place of safety. Shell-shocked families and elderly couples were gathering up the remains of their earthly possessions, usually just a few pots and a mattress. Many of them would not leave unless they could take those possessions with them, because they represented their only hope of having anything with which to start again.

I want to pay tribute to the many courageous people who drove me round and helped me to shoot the video footage that I brought out of the country, despite the huge numbers of security police, members of the Central Intelligence Organisation, who are everywhere now. There are far more than there were two years ago; Mugabe has spent millions of dollars on recruiting huge numbers of them. That video footage has now been shown around the world and it has helped to alert the international community to what the regime is doing. It was ironic that some of my guides had spent their youth fighting as freedom fighters in the bush. For them, the struggle continues to this day, and I salute them.

I also want to salute the very brave women, particularly in Bulawayo but also in Harare, who are members of WOZA—Women of Zimbabwe Arise—and who take to the streets repeatedly in peaceful protest. They are often arrested for defying the draconian laws on public association. I also pay tribute to the teams of individual Zimbabweans who go out gathering evidence of human rights abuse for the Solidarity Peace Trust. I want to draw to Members' attention the trust's first report, which has been sent round to some people today. If anyone else wants a copy, they can get one from me. It is the interim report of May-June 2005 on the Zimbabwean Government's urban cleansing and forced eviction campaign. The trust has the Roman Catholic Archbishop of Bulawayo, Pius Ncube, as one of its key sponsors. The report presents a shocking tale of what has happened, including numbers, and I would commend it to every Member of the House.

I have to point out that people are dying in order to get the message out of Zimbabwe, and to try to raise any international outrage. I was privileged to have been able to be there, even if it was only for one short week. I knew that, if anything had happened, I was unlikely to be killed, but I was left with the impression of people risking their lives every minute of the day. Even ordinary people conducting their everyday lives need to be brave in Zimbabwe. The vendors' markets, once a lively feature of towns and cities across the country, have all gone. Most of the pitches were licensed by the local councils. Bulawayo council is in the control of the Movement for Democratic Change, and it used to collect rent from the stall-holders, who all had licences. The pitches were laid out with yellow lines to show their boundaries. Now the plots are deserted, with only mangled wire and scorch marks left behind.

Particularly shocking were the industrial suburbs of Harare, where there used to be hundreds of bustling workshops, with their valuable machinery. Many people who wanted to be able to look after their own livelihoods had created these small businesses and factories, perhaps fixing cars or doing some sewing, all using machinery. The Mugabe police simply came in and bulldozed them down, destroying thousands of pounds worth of machinery and leaving flattened concrete behind. Those buildings had been solidly built. Mugabe and his forces talk about these constructions being illegal, but they were proper homes. In many cases, people had lived in them all their lives, but now their contents have been destroyed, and those people's homes and lives ruined. I had also visited those parts of the outskirts of Harare the last time I was there, so I could see the difference. The area literally looks as though an earthquake has hit it; it is quite unbelievable when I remember the thriving suburb that it used to be.

The destruction and misappropriation of businesses continues in another form what started with the illegal seizure of commercial farms. As I pointed out earlier, most of the farm workers have been displaced to urban areas and are now being displaced again. Mugabe saw how easy it was to get away with displacing those farm workers and farmers and knows that there is no appetite to resist him. He has African leaders parroting his propaganda lies for him and the leaders of the industrial world by and large swallowing them and choking on what is sometimes, I believe, a misplaced post-colonial guilt.

I am still concerned about companies in this country that continue to do business with counterparts in Zimbabwe that are working hand in hand with the regime. Supermarkets—I simply mention Tesco but there are many—have not yet taken seriously their obligations to ensure that their vegetables and flowers are not being sourced from illegally seized farms or operations run by proxies for the regime. There is also evidence that banks based in this country and on the continent still co-operate in arranging lines of credit for the regime and its associates.

Last week, the European Union increased the numbers of people on the banned list, and finally banned Grace Mugabe, Robert Mugabe's wife, from being able

to come over here and shop at Harrods. I welcome that decision. Many people, however, have still not been put on the list. One of the people whom we must get on that banned list is Gono, the governor of the Reserve Bank of Zimbabwe, who has been the driving force behind much of the getting rid of people and small businesses.

What is most shocking, however, and most upsetting, is the way in which Mugabe's refusal to co-operate with the World Food Programme and formally ask for assistance means that the WFP must bend its rules in order to put out an appeal to donors. It is time that we started setting our own rules. As a major donor Government, we need to demand very special terms before providing assistance to people trapped under a regime that is not only failing but taking positive action to deprive its people of basic human rights of shelter and food—a human right that the UN is meant to uphold. The world talks of finding new ways to tackle new problems, but this evil tragedy in Zimbabwe is happening so slowly, and Mugabe is such a cunning manipulator, that we must find completely new ways of dispensing aid. As Michael Holman recently wrote:

"The West's unconditional generosity has done—and is doing—more long-term damage to Zimbabwe than short term good".

Aid organisations must face up to the fact that in Zimbabwe they cannot be apolitical. The crisis with which they are dealing is not a natural disaster but a deliberately manufactured tool of oppression and political control. The normal rules do not apply, and they must speak out in protest against the ZANU-PF regime. Without question, the African Union must demand that the International Red Cross and the United Nations relief agencies are given unrestricted access to Zimbabwe to deal with the internal refugee and food crisis, as they would have in any other disaster situation. Those bodies must also demand, however, that the African Union tackles the political paralysis in Africa that has allowed Mugabe to run amok and set back his country's progress by 50 years. I hope that the UN envoy's team who have arrived today will be able to go around and see what is happening. I worry that they will only be taken where the Government want to take them. We hope, however, that they will be independent and go out and see what is happening.

I hope that the organisers of the Live8 concerts will urge the millions who flock to the concerts on 2 July to demand that the world leaders attending the G8 summit get their heads out of the sand and put Zimbabwe's plight right at the top of their agenda.

Most importantly and immediately, our Government will lose all credibility in tackling the problems of Africa if they are seen to demand high standards of African Governments and yet, because of whatever petty domestic reasons, statistics or figures, send back asylum seekers to the mercy of Mugabe's state agents. Our Government face a massive test of their commitment to Africa's future, rather than to the dapper but corrupt bigwigs who will tell the Prime Minister what he wants to hear, then go back and, like Mugabe, treat their people as dirt to be cleared away. Our loyalty must be to the people of Africa—the poorest people of Africa—and perhaps the most immediate test of that commitment involves the asylum seekers who are on hunger strike not many miles from here.

I was shocked today to receive a letter from someone telling me to look at something in the May edition of "News&Views", described as

"The magazine for Foreign and Commonwealth Office people around the world".

It trumpeted

"Double FCO success at IND awards",

referring to the immigration and nationality directorate.

What was the award? The FCO's global migration team collected it on behalf of the FCO. A member of the team is quoted as saying

"The team has worked hard",

and

"it's great to see the two departments working together so closely . . . but we're just a small part of a big network of FCO desks and posts".

The report says

"Country action plans"

—which is what the award was for—

"focus on the countries where the greatest numbers of asylum seekers originate, and where systematic HO/FCO co-operation is needed to reduce the number of applicants with no grounds for asylum . . . The plans have helped secure agreements with several countries including Afghanistan, China and Zimbabwe."

I am sure that the FCO is very proud to have received an award for sending back asylum seekers and doing a deal with Mugabe. I hope that the Minister will be able to explain exactly what deal, if any, has been done.

I want to refer to one or two asylum cases that have been mentioned in various newspapers. I think that the media have been particularly good in raising some of them. There is the case of Crispen Kulinji, who I know for a fact is an MDC activist. I know that he was tortured. I talked to him with Morgan Tsvangirai last week in Zimbabwe. The MDC has sent clear messages to our Government explaining the position and asking for him not to be deported, and he had been dealt with by our supposedly independent and fair immigration system. Nevertheless, he was to be sent back on Saturday night. That is why I told the Home Secretary today that I did not have much confidence in the independent appeal tribunal. People were not given the right legal advice in many cases. Often, once in the fast track, they had little chance.

Many Zimbabweans here who are genuine asylum seekers had to leave Zimbabwe without their passports. Crispen's passport was taken from him. He then went to South Africa. It should be remembered that some Zimbabweans do not feel particularly safe in South Africa. It is not always a safe country for Zimbabweans because of the way in which Zimbabwean Government agents work there. We have a close link with Zimbabwe, and a special responsibility for what is happening there. If Zimbabweans have a link with Britain, they will obtain passports by other means. Crispen obtained a Malawi passport. Although the Foreign Office knew that he was not from Malawi, it was intent on sending him back there. The Malawians immediately did what they had done with other asylum seekers. They said "This person is not Malawian. He must go straight back to Harare." The Foreign Office did not even have the decency to send him back to Harare; it let someone else do the dirty work by sending him to Malawi first.

[Kate Hoey]

The same thing is happening to a great many asylum seekers who are in the detention centres. More than 50 have been on hunger strike since last Wednesday. Many are becoming weaker, although they are taking water. Next weekend the G8 nations meet at Gleneagles to begin their conference. Does the Minister really want asylum seekers in our detention centres to be literally near to death as we discuss poverty in Africa? What message does that send to the world about the kind of country we are, and how we can possibly do what we are doing? Crispen is keen not to be the one who is always picked out, because they all work and speak together. It is clear that there are many asylum seekers who are at risk of being sent back.

I heard on the rumour mill today that the Home Office had decided that it must be careful because the G8 summit was coming up. It does not want to change policy and go back to the pre-November policy, when there was a moratorium. The situation was okay until November. Nobody was being sent back, but suddenly, the policy changed. However, immigration officials have apparently been told this evening that there is a freeze on sending anyone back, to avoid the possibility of the public's becoming aware of such incidents in the next few days. Yet once the G8 is over and everyone attending it has gone home, we will simply return to the policy of speeding up the process of sending people back. I appreciate that the Minister responding to the debate is from the Foreign Office and not the Home Office, but according to the Home Secretary today, everybody is working closely together on this issue. The Minister will therefore doubtless be able to say whether there is any truth in what I have said, and to explain how the situation will be handled.

The Home Secretary keeps saying that he has received no substantiated evidence of people who have been sent back then being tortured or ill-treated in any way. However, there is a lot of such evidence, all of which is being passed on. Unfortunately, the Home Office tends to lose some very important documents. Indeed, Home Office immigration officials have even gone to the Zimbabwean high commission—I should say the Zimbabwean embassy, as the country is no longer in the Commonwealth—to get information on such people. Their names are well known, therefore, when they are put back on the plane. Anyone travelling back to Harare from this country who has been in detention is immediately suspected as being anti-Mugabe. On all such occasions, the Central Intelligence Organisation meets them at the airport. Just last week, someone who was sent back was immediately questioned and his home was visited. The situation was handled very aggressively, and at the first opportunity he managed to get over the border into South Africa. Such is the fear of many of these people.

It beggars belief that the Home Office goes on about wanting evidence. How does it expect us to get it? Zimbabwe is in chaos, and many of these people have nowhere to return to because they come from demolished areas and their families have been displaced. I do not know what our offices in Harare are doing, but I cannot imagine that our ambassador—he was on holiday when I was there, but I did see his deputy—and his colleagues are looking for any evidence. It might be possible to obtain such evidence in some countries, but given the chaos in Zimbabwe and the state machinery's control of absolutely everything, it is almost impossible to obtain the proof that the Home Secretary wants. However, I hope that he will listen and take account of the various types of evidence that we will provide.

Mr. Richard Benyon (Newbury) (Con): Following the hon. Lady's meeting with representatives of the high commission during her recent visit, was she confident that they grasped the real situation? On having a meeting with the high commission when I was last in Zimbabwe, some four years ago, I was extremely worried to discover that its motivation then was to build relationships with Zanu-PF. Rather than wanting to work with the Movement for Democratic Change in an effort to find a political dynamic that could bring about change, it seemed to be obsessed with the ruling party. It seemed to have no grasp of the developing situation.

Kate Hoey: To be fair, things have changed a lot. The previous high commissioner was extremely outspoken—so much so that Mugabe continually threatened him. I have not had much to do with his successor, so I would not want to comment. The embassy assured us that it was doing what it could to provide support for homeless people, but the scale of the problem is huge and it is working under very difficult circumstances.

I want to refer to the case of Alice Phiri, whom I managed to get taken off the plane literally as she was about to be sent to Harare. Last June, she was taken off a plane and allowed to stay, or so we thought. However, once the decision was taken in November to lift suspensions, she was carted off, before any of us knew, and deported. We have evidence that she was detained and beaten up, with all sorts of things being done to her. It makes me angry. The Government knew that representations were made and there was a belief that no one would be deported. Suddenly, there was a written statement that the ban had been lifted and, before we knew it, a lot of people had been sent back. I am sure that this has also happened with some other countries.

The Home Secretary and the Prime Minister today have talked about relationships with the MDC, saying that we are in constant touch with it and that it knows what is going on. I find that incredible, because the MDC has made its position clear: it does not want anyone to be deported. I do not know where these conversations are going on, but Morgan Tsvangirai has made it clear that he does not want these people to be deported. You cannot be clearer than that. The Roman Catholic Archbishop of Bulawayo—one of the bravest people in the region, in contrast to the Anglican Bishop of Harare, a Zanu-PF supporter—has stood out against everything that has happened in Zimbabwe. He writes that the

"deportation of genuine asylum seekers from the UK to Zimbabwe is unjustified. The situation in Zimbabwe has not improved after the March 2005 elections but has worsened."

Everybody knows that things have got worse there.

Within the group held in detention centres, there may be those who were not MDC activists or were not tortured before they came here. There may be those who have fears about going back but who may not tick all the

Home Office boxes. However, they will be at risk. That is why the only solution has to be to go back to the pre-November situation. Things have got so much worse. It is unbelievable that the Government cannot go back to that.

I hope that the period of reflection that the Prime Minister, the Home Secretary and the Foreign Secretary have had over the weekend and after today's statement—I appreciate that, for whatever reason, Ministers sometimes do not like to look as if they have made a U-turn—will mean that, in the lead-up to the G8, the deportations will be stopped until such time as things improve in Zimbabwe.

Andrew George (St. Ives) (LD): In his statement today, the Home Secretary said that a blanket suspension of all removals to any country could only encourage those seeking to get around our controls for reasons that have nothing to do with political activities or fears of prosecution. I am not arguing for that; I am merely playing devil's advocate. Although the hon. Lady is making a strong case, does she accept that a blanket suspension the unintended consequences described by the Home Secretary?

Kate Hoey: There was a blanket suspension and the numbers did not go up. The numbers that the Home Secretary did not quote, but which an Opposition Member did, showed that the figures went down. I do not share the hon. Gentleman's view. The Home Secretary talked about messages being sent around the world that every asylum seeker could come to Britain. However, the message being sent is that we have a sort of doublespeak, where the Foreign Secretary rightly condemns what is happening in Zimbabwe and the Home Secretary—despite talking about human rights and saying that it is a dreadful country—is still sending people back. That gives succour to all those who want to pretend that things in Zimbabwe are not too bad.

I recognise that I have been lucky to have had longer than I would have had in a normal Adjournment debate, so I will conclude with a plea to my right hon. Friends the Prime Minister and the Foreign Secretary and all those who will be at the G8 meetings in Gleneagles. If Africa, making poverty history and the poorest people in the world are to be discussed, what has happened in Zimbabwe has to be at the top of the list. If the representatives of the African Union and President Mbeki will not even say that what is happening in Zimbabwe is wrong, or even unfortunate—let alone condemn it—and if they continually try to block every attempt in the United Nations on human rights issues, how can they be seen as world statesmen who will seriously discuss ending poverty in Africa?

My constituency is multicultural and very tolerant of asylum seekers. My constituents want to help people who are really in fear of their lives, but if they are to be asked to pay out more for debt relief, changing the trade balance and the rest of the agenda, they will expect that money to be spent properly. We do not expect to see the South African Government behave as they have. The only reason that helicopters flew over Bulawayo intimidating people as they were taken from their homes was because the South African Government had supplied the spare parts just a few weeks earlier. The helicopters had previously been grounded because no one would supply them. Yet South Africa's president will be at the meetings at the weekend speaking up for the New Partnership for Africa's Development and all the good governance ideas. That will be a sham unless we face up to Zimbabwe.

My experience in Zimbabwe was both numbing and humbling. It made me determined that we will get the message out. I know that many right hon. and hon. Members on both sides of the House want to support the brave people of Zimbabwe, and I hope that the Prime Minister will take that issue on at the G8.

9.47 pm

Peter Bottomley (Worthing, West) (Con): I am grateful to the hon. Member for Vauxhall (Kate Hoey) and the Minister for letting me contribute to the debate. Together with the statement from the Home Secretary this afternoon, this debate has done Africa a service. In this debate, there is no selfish interest in the House or in the country. In a way, it is a rerun of the debates about the unilateral declaration of independence in Southern Rhodesia and liberation in southern Africa.

We each have our past, and part of mine was visiting El Salvador at the time of the civil war, but even there the oligarchy never did to their people what has been done in Zimbabwe in the past seven months and, in particular, in the past seven weeks. The question with which the Minister must try to help the House today—I hope that the Prime Minister will address it on future occasions—is what is it about conditions today in Zimbabwe that makes it possible to carry out expulsions from this country and deportations to that country and its neighbours, when they were not possible in October last year, only eight months ago?

I asked a question in January about Crispen Kulinji, who was on the fast track to deportation. Three times, Members of Parliament have stopped that man being deported to Malawi. It is not that the people who advise Ministers in the Home Office and the Foreign Office do not understand the position. They do, but they are under some greater pressure to meet the targets. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) produced the figures cited by the hon. Member for Vauxhall, to whom I pay personal tribute for her persistence and the detail in which she has reported to the House. It would be interesting to hear from the Minister, if not tonight then by written statement, what the numbers of Zimbabweans in this country would be at, say, Christmas—six months' time—if the deportations were halted.

Are we talking about 500 people? A thousand people? I doubt that the figure is even that high. My constituency has an unemployment rate of about 1.5 per cent. In South Africa, the unemployment rate is probably about 40 per cent., and in Zimbabwe probably about 70 per cent. The fact that some people manage to find their way to this country now, in conditions probably worse than those after UDI, gives us a responsibility to hold back from trying to send them home where they are not welcome. As and when President Mugabe stops being President Mugabe, Zimbabwe will start to recover and people will start to go back voluntarily, as they did when the UDI situation came to an end.

I went to Zimbabwe twice after the one person, one vote system was introduced, once in a private capacity and once in a Commonwealth Parliamentary

[Peter Bottomley]

Association delegation with Guy Barnett, the then Member of Parliament for Greenwich. When we met President Mugabe—or rather, Prime Minister Mugabe, as he was then—there were problems in Matabeleland with what the fifth brigade, and also, I believe, some of the East Germans, had been doing. However, a combination of a good harvest and the development of the commercial sector and the social side of the country allowed people the prospect of hope. It is true that there were already the beginnings of the HIV/AIDS epidemic, as we now know it to be, and problems with life expectancy, but at least those people had hope. The Churches could operate and opposition parties had reasonable freedom.

Since then, it has been sacrifice, sacrifice, sacrifice. In those days there was a leadership code, and the only person who obeyed it was Prime Minister Robert Mugabe. All the rest were beginning to show signs of what Robert Mugabe is now accused of himself—of taking to himself what he should not be taking.

I hope that the South African high commission in London will invite Members of Parliament who are interested in this subject to South Africa house, so that we can have a round table discussion about how South Africa believes this growing problem can be tackled, for the sake of the people of Zimbabwe. If Zimbabwe goes on deteriorating as it is now, it will provide less hope for surrounding countries. South Africa may be much larger and more powerful, and some of its leadership traditions may be stronger, but Zimbabwe will still be a source of possible corruption in the area.

I hope that Crispen Kulinji will not be sent home, but if he or others are to be sent home, will the Minister assure the House that Members who have made representations will be told a week in advance and not have to pick up from the rumour mill that policies have been reversed and that someone has been picked up and is about to go instantly? I do not want another Thursday or Friday when I have to send a message to No. 10 Downing street asking the Prime Minister if he will bring together the Ministers from the Home Office and the Foreign Office to discuss the case in front of him. I am not saying that my intervention was the most important one, because I suspect that the hon. Member for Vauxhall was influential, and others, including the Liberal Democrats, have been helpful too. There is all-party agreement that the House needs to be involved when the Government intend to do something that is not supported anywhere in the House.

During the statement this afternoon, I mentioned the case of an opposition Member of Parliament in Zimbabwe who lost his cool in Parliament and got sentenced to a year's hard labour in jail. I am told that he has lost half his body weight and it would be interesting to hear from the Foreign Office whether it believes that Roy Bennett is really in that state and what representations it has heard about. Obviously, as he is not a UK citizen, there is no UK Government responsibility, but it would be interesting to hear what the Foreign Office had to say. We presume that his wife was cheated out of being successfully elected in his place at the last election, but that is beginning to broaden the subject beyond what the hon. Member for Vauxhall has asked the House to consider tonight.

I say to the Minister, and through him, to the Foreign Secretary, the Home Secretary and the Prime Minister, that this House, like many of the Church leaders who bravely and consistently spoke out during the years of the liberation struggle, expects this Government—the fact that they are Labour is interesting, but not important—will hold to the British tradition of allowing those who seek refuge while their country is going through turmoil to have that refuge. My wife and I have in our house a young Zimbabwean student who was not sent back during the years of UDI. I do not want to see other people being sent back to Zimbabwe now.

9.54 pm

John McDonnell (Hayes and Harlington) (Lab): I apologise for being delayed a few minutes at the beginning of the debate and congratulate my hon. Friend the Member for Vauxhall (Kate Hoey) on bringing this issue before us today.

I want to make a few brief comments, because the last port of call for many of the deported people is often in my constituency at Harmondsworth detention centre. It is usually at weekends when I receive a phone call from a solicitor or even an individual from a campaigning group asking me to contact Ministers almost as these people are being dragged forcibly on to aeroplanes in the most distressing circumstances.

There are Zimbabweans in my constituency, white and black, who are desperate to return home because they love their country, but they are fearful about doing so because they risk their lives either as a result of human rights abuses or, in some instances, purely and simply because of the loss of their livelihoods and the risk of hunger and starvation, which some of their families have experienced back home.

The key issue is whether we can develop a policy sufficiently refined to ensure that we avoid adopting an inconsistent approach towards people from Zimbabwe who seek asylum. The stop-start approach and, in some instances, covert policy making result in last-minute deportations of individuals in extremely distressing circumstances.

All we are asking for is a deeper understanding that we need a precautionary principle in respect of asylum and Zimbabwe. There must be an attempt to take into account the latest developments and the latest repression going on in that country. If a sensitive approach is adopted towards events within Zimbabwe, it would not necessarily require having a blanket ban. Frankly, if Mugabe and his Ministers came here seeking asylum, we would be sceptical, but we need a precautionary principle that takes into account the reality of life in Zimbabwe. Such a principle would lead to acceptance that, in the majority of cases, even if we cannot substantiate every individual piece of information associated with a case, we must be cautious before sending people back to Zimbabwe.

I have met Zimbabweans and visited them before they were sent home, so I know that they are in a distressed state to the extent that some have threatened suicide and, as we have seen in recent weeks, some have embarked on a hunger strike. These people are serious and worried about what will happen to them when they return. They are concerned in any case about what is happening to their families, because reprisals take place daily in Zimbabwe.

In God's name, we must do something and we need to act quickly by, for example, putting pressure on Mbeki to help us resolve the Zimbabwean situation. In God's name and in the name of all humanity, we should not exacerbate the situation by sending people back to their peril.

9.58 pm

The Minister for Trade (Ian Pearson): I congratulate my hon. Friend the Member for Vauxhall (Kate Hoey) on securing an Adjournment debate on this subject, which is of grave concern to all Members. I pay tribute to her for her courage and commitment to the people of Zimbabwe, who have suffered so much under Mugabe's regime.

I am replying as both my right hon. Friend the Secretary of State and my hon. Friend the Under-Secretary of State for International Development are overseas. I would like to thank the hon. Member for Worthing, [illegible] (Peter Bottomley) and my hon. Friend the Member for Hayes and Harlington (John McDonnell) for contributing to the debate, but I have to say that their comments were confined almost exclusively to debating Home Office policy. My right hon. Friend the Home Secretary made the Government's position very clear earlier today, and I have no new information to impart.

I want to state categorically at the outset the Government's condemnation of human rights abuses in Zimbabwe. We have been robust and swift in raising our concerns with the Government of Zimbabwe directly and also with our EU partners. We are raising concerns bilaterally with southern African Governments and we will continue to build up pressure on the Mugabe regime.

As my right hon. Friend the Home Secretary said in his statement to the House today, we are committed to providing protection to those Zimbabweans in genuine fear of persecution. Each asylum application will be carefully considered on its individual merits, and we will keep the overall situation under review.

In replying to this debate, I want to cover the humanitarian situation in Zimbabwe generally and the response of the Department for International Development.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

I shall cover the humanitarian situation generally, DFID's response to it and then the recent crackdown and other issues raised in the debate, such as asylum assessment and applications.

Widespread hunger and vulnerability have threatened the people of Zimbabwe for four consecutive years. More than 70 per cent. of the population live in poverty, one in four adults are infected with HIV and there are an estimated 3,200 deaths each week related to AIDS. So far, there are more than 1.3 million orphans. Food insecurity remains an issue for most people. The situation has been made worse by poor and erratic rainfall.

All that has only compounded the effects of man-made policies that have led to deepening and long-term poverty and hunger. There has been no independent assessment of the harvest in Zimbabwe, and Government food stocks and import plans are unknown or unrealistic. Observers estimate a potential cereal shortage of approximately 1 million metric tonnes, more than half the annual requirement. Although widespread starvation is unlikely, up to 6 million people could experience food shortages by the end of the year. DFID is monitoring the situation closely and awaits clarification from the Government of Zimbabwe as to whether external assistance from the international community will be needed later this year to be channelled through United Nations agencies.

Zimbabwe's biggest long-term human disaster lies in its being one of the worst-affected countries in the world in terms of HIV and AIDS. Yet Zimbabweans receive the lowest level of donor support in southern Africa. Only 3 per cent. of people who should be receiving treatment with anti-retroviral drugs are actually receiving them. This means that Zimbabwe has the lowest number of people on treatment with anti-retrovirals in the world.

In response to the poverty-related food crisis and the increasingly desperate situation caused by HIV and AIDS, DFID has contributed more than £71 million for humanitarian assistance in Zimbabwe. The Government's priorities are to support an international response in tackling the HIV/AIDS crisis in Zimbabwe and to support orphans and vulnerable children. DFID is one of the main donors supporting AIDS prevention programmes in Zimbabwe, such as condom supply and support for voluntary counselling and testing centres. We expect to increase the UK spend on HIV prevention, care and mitigation to around £15 million over the next year.

DFID also provides direct and targeted support through international non-governmental organisations and the UN, which currently reaches up to 1.5 million of the poorest and most vulnerable sectors of the population. That encompasses a range of support, from targeted food imports, especially for the chronically ill, to agricultural products, such as seed and fertilisers. In partnership with UNICEF and other development partners, DFID is designing a programme of support for orphans and other vulnerable children worth £25 million over the next five years. That support will go towards implementing Zimbabwe's national plan of action for orphans and vulnerable children. This year, we have already spent £2 million on community-based activities that directly assist children in need.

Tragically, political reform in Zimbabwe, which could lead to the prospect of economic recovery, does not appear imminent. Following the March parliamentary elections, the Government of Zimbabwe have shown no sign of moving towards a more transparent and accountable approach to governance. The majority of the population will face desperate poverty for years to come. Households affected by AIDS will be among the worst hit, including the elderly, the chronically ill, and widows and orphans, many of whom have no-one left to turn to for support.

As the House will be aware, issues have been made worse by the recent and continuing so-called operation "Drive out Rubbish", about which my hon. Friend the Member for Vauxhall gave graphic details. Anyone who has seen television footage of what is going on in Zimbabwe will be shocked and appalled, as I am. Earlier this month, it was estimated that 66,000 households,

[Ian Pearson]

about a third of a million people, had been affected at 55 sites. More than 30,000 people have been arrested, mainly traders. That crackdown has been widely condemned by the EU, the UN and local civil society organisations.

People suffering from AIDS are among the worst affected. Many chronically ill people have been driven from their homes. HIV prevention and home-based care programmes have been seriously disrupted. We are also very concerned about the welfare of children; infants have been forced to sleep outside in the middle of winter and there are reports of children being detained in prison and separated from their parents. The crackdown continues to spread across the country to many urban and some rural areas. Armed police have swiftly crushed isolated pockets of resistance with tear gas.

DFID is already responding to that man-made disaster, providing support towards humanitarian assistance for the most vulnerable, mainly through the UN and the International Organisation for Migration. A further contribution will be made shortly. To date, nearly 10,000 families have been reached with food, blankets, soap and other forms of assistance. The Mugabe regime's crackdown has operational implications for all the current major humanitarian assistance programmes operated by DFID through the UN and non-governmental organisations.

Peter Bottomley: The Minister is making an important speech and the House is listening intently. Will he make it plain to the British mission in Harare that it should have contact with Anglican bishops throughout the country to hear their assessment, through their parishes, about what is going on locally? Will he make a report to the House? The hon. Member for Vauxhall pointed out how difficult it is for ordinary people to get information out of Zimbabwe and the Church could provide a route. We have heard about the Catholic Church and it is about time that we heard more from the Anglican Church.

Ian Pearson: I take note of what the hon. Gentleman says and will talk about some of those issues in a moment.

The House is well aware of the Government's strong stance on Zimbabwe, and of the steps that we have taken bilaterally, in the EU and with the broader international community, to isolate Mugabe and increase pressure for reform. Since the crackdown began, we have redoubled our efforts on every front. We have protested directly to Zimbabwe in both Harare and London, when my noble Friend Lord Triesman summoned the acting high commissioner for Zimbabwe to express our grave concern. Our posts across Africa are raising our concern in Zimbabwe with their host Governments, including with President Mbeki. On 22 June, the Foreign Secretary made a public call for Africans to deal with the crisis in Zimbabwe.

We secured a firm EU declaration and my right hon. Friend the Foreign Secretary raised it with EU partners on 13 June at the General Affairs and External Relations Council. The EU followed that by registering our abhorrence of the crackdown with regional Governments at the European Union-Southern African Development Community troika meeting on 20 June.

Mr. Benyon: Does the Minister agree that the future of Robert Mugabe and his coterie of criminals who run Zimbabwe is entirely in the gift of the Government of South Africa? The British Government's efforts in the coming weeks must focus on trying to persuade President Mbeki to do the same to Zimbabwe and the Zimbabwean Government as a previous Government in South Africa—an apartheid Government—did to the Government of Rhodesia, by pulling the plug on them? The South Africans have that in their power and the Government must put pressure on President Mbeki.

Ian Pearson: The Government are putting pressure on President Mbeki. He is very much aware of our views and we will continue to have dialogue with the South African Government about the pressure they can bring to bear on the Zimbabwean regime. I agree with the hon. Gentleman that they have influence in those matters and we are making every effort to encourage them to use it.

We have also involved the UN, by raising the issue directly with the UN Secretary-General and the High Commissioner for Human Rights. We very much welcome the comments from the Office of the UN Commissioner for Human Rights and the UN Special Envoy for Adequate Housing, Miloon Kothari, condemning the violation of human rights. We further welcome the UN Secretary-General's decision to nominate the UN habitat executive director, Anna Tibaijuka, as his special envoy to assess the situation on the ground. I gather that she is expected to arrive in Zimbabwe imminently.

We have enlisted the G8 at the Foreign Ministers' meeting on 23 June, at which those involved formally called on the Government of Zimbabwe to abide by the rule of law and to respect human rights. My hon. Friend the Member for Vauxhall referred to the forthcoming G8 summit at Gleneagles. Zimbabwe is very much on the Government's agenda, but Africa should not be held to ransom by one country. Yes, we want to deal with Mugabe, but we want to deal with the problems of Africa as well. We should not allow Zimbabwe to get in the way of helping other countries, particularly those that have made great strides in terms of democracy and better governance and whose children and adults are still living in appalling poverty. I believe that that is very much the right policy.

Dr. William McCrea (South Antrim) (DUP): I am sure that the Minister will accept that many hon. Members on both sides of the House completely agree with the calls for action so eloquently expressed by the hon. Member for Vauxhall (Kate Hoey), but while the Government are expressing shock, protesting and so on, the truth is that the people of Zimbabwe are getting weaker and weaker, and the denial of rights is continuing day after day, week after week and month after month. Surely, our Government must take greater action to stop that tyrant destroying the rights and livelihoods of the people of Zimbabwe.

Ian Pearson: I have a great deal of respect for the hon. Gentleman and I appreciate his comments. The issue for

the Government is what more we can do to address the situation effectively. The right hon. and learned Member for Devizes (Mr. Ancram), who speaks from the Opposition Front Bench on these matters, chunters away when I mention the fact that we must do something at the G8 summit to help the rest of Africa. He cannot seriously suggest that the Government should not do just that. Yes, we must tackle the problems that exist in Zimbabwe, but we also need to help the rest of Africa. We need to encourage and support the emerging democracies on that continent, and we need to help the millions of people who live in grinding poverty there.

Kate Hoey: I appreciate that my hon. Friend is not the Minister for Africa, and I hope that he sends a message to the Prime Minister and the Foreign Secretary that we need a Minister for Africa in the House. What exactly is President Mbeki doing at the G8? Was he not invited by one of the previous G8s only because he was going to be the person who championed the NEPAD good governance issue?

Ian Pearson: My understanding is that President Mbeki will attend one of the outreach sessions of the G8 summit, and we will undoubtedly have a range of bilateral meetings with others.

I now wish to make some progress. I want to assure the House that we shall continue strongly to support the people of Zimbabwe, as they face the brunt of oppression, poor governance and damaging economic policies. We will also continue to condemn the Zimbabwean Government's actions, which are clearly contrary to international law, and we will also condemn them where they are implementing policies that are harmful to the people of Zimbabwe.

I shall briefly refer to the comments made by the hon. Member for Worthing, West. He asked me to speculate on the number of Zimbabwean asylum seekers in the UK in six months' time. I do not think that it is the Home Office's policy to make such estimates, but I will draw the relevant Minister's attention to his request and to his request for advance notice.

I note that when we are talking about enforced returns of failed asylum seekers my hon. Friend the Member for Hayes and Harlington says that he does not think that we require a blanket ban. However, he went on to say that we should follow a precautionary principle. That is exactly what we are doing.

This afternoon, my right hon. Friend the Home Secretary made a statement on enforced returns of failed asylum seekers. I reiterate the key points. It is clear that there are Zimbabweans who are in need of international protection. These are in particular members of the Opposition in Zimbabwe, or others who have established that they have been engaged in activities that would cause them to be persecuted by the Zimbabwean Government. They will continue to be granted asylum. In the 15 months to March this year we granted asylum, or discretionary leave, at initial decision, to 270 Zimbabweans. The Home Office will consider each case on its merits and will examine with great care each individual case before removal. We will not remove anyone who we believe is at risk on their return.

As part of this process, we shall remain in close contact with civil society and Opposition parties in Zimbabwe. As the hon. Member for Worthing, West mentioned, church groups have a role to play in providing information to this Government about the situation in Zimbabwe. We shall continue to keep the overall situation under review.

I understand that my hon. Friend the Member for Vauxhall sent the Home Office representations on a number of individual cases, and she referred to some of them this evening. It is not the Government's policy to comment on individual cases. My hon. Friend will have heard my right hon. Friend the Home Secretary say this afternoon that officials will examine these matters carefully. Ministers will consider other representations about individuals as well.

John McDonnell: I wish to be clear on the process of representations. There has been some shift in the Home Office about the attitude towards individual Members making representations on individual cases. For example, on visa and other arrangements, it has been made clear that the Minister will give preference and priority to representations coming from Members who are representing individuals who formerly lived in their constituencies before they were taken through the process and then, perhaps, detained. Let us be clear that the Home Office will listen to representation from all Members on individual cases, and will continue to do so. In my own case, if someone is detained at Harmsworth detention centre, I will consider him or her my constituent anyway.

Ian Pearson: I listened carefully to my right hon. Friend the Home Secretary this afternoon. He seemed to be clear in saying that he wanted carefully to listen to any representations that are made to him by Members. I have no doubt that if my hon. Friend wants to make representations with regard to constituents who are in Harmsworth, my right hon. Friend will carefully consider those representations. I take on board the point that my hon. Friend makes. As he will appreciate, I do not want to comment on individual cases.

Andrew George: As the Minister has given a graphic description of the medical and humanitarian situation and of the level of repression and persecution in Zimbabwe, and bearing in mind the fact that he rightly says that he will not make comments on individual applications for asylum in this country, is he satisfied that the Home Office has fully accepted his Department's assessment of the situation in Zimbabwe? If that is the case, and he is satisfied that it has accepted that assessment, will he agree that deportation should be happening only in exceptional circumstances?

Ian Pearson: The Foreign Secretary and the Home Secretary are at one on the issue. As the Home Secretary said in his statement, "It is the position of the Foreign Secretary and myself that there are not sufficient grounds to reverse last November's decision." He went on to say that it is clear that Zimbabweans are in need of international protection, and reiterated some of the categories of people affected by that. He also said that not all Zimbabweans who claim asylum genuinely face persecution. He alluded to the fact that the blanket

[Ian Pearson]

suspension of all removals to any one country can only encourage those who want to get around our controls for reasons that have nothing to do with political activity or fear of persecution. Our policy is right, but we will continue to keep the situation under review.

Peter Bottomley: The Minister is being helpful. He quotes the agreement between the Foreign Secretary and the Home Secretary, which we have to accept, but the problem—I am sure that my right hon. and learned Friend the Member for Devizes (Mr. Ancram) would agree—is that if the situation was such that people should not be sent back in October last year, what has improved since then that makes it possible to send people back with confidence now? If there was no confidence in October, how can there possibly be confidence now? Will the Minister ensure that the Home Office, which works so closely with the Foreign Office, does not start lifting people out on Thursdays and Fridays so that it gives itself two or three clear days? Can it do it on a Tuesday so that we can raise it with the Prime Minister on a Wednesday?

Ian Pearson: I assume that the hon. Gentleman was in the Chamber for the statement and I have nothing to add to it. It explained Government policy clearly. I shall draw his point about removal days to the Departments concerned.

I reiterate the Government's total opposition to human rights abuses in Zimbabwe. There is no doubt that political persecution, human rights abuses and denial of basic freedoms are taking place. We will continue, both directly and with our international partners, to push the Government in Zimbabwe to end human rights abuses and to restore democracy so that all Zimbabweans can, in time, return safely to help build a prosperous and stable country. In the meantime, we will continue to provide asylum to those Zimbabweans who need our protection. We will continue to provide humanitarian assistance through NGOs and the UN to those in Zimbabwe who need it most.

I congratulate my hon. Friend the Member for Vauxhall again on securing the debate and on raising a very important issue that is of grave concern to hon. Members on both sides of the House.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Ten o'clock.

House of Commons

Tuesday 28 June 2005

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Member Sworn

The following Member took and subscribed the Oath:
Sir Patrick Cormack, for South Staffordshire

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Mr. Speaker: I call Mr. Andrew Turner. [HON. MEMBERS: "Not here."] I hope that it was not transport that delayed him. I call Dr. Phyllis Starkey.

East-west Rail Links

2. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): If he will make a statement on progress on east-west rail links between Oxford and Bletchley. [7335]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The Strategic Rail Authority is taking part in the ODPM-funded east-west transport links study, which is looking into the business case for the east-west rail scheme, alongside other transport initiatives aimed at improving links in that corridor. The study is being carried out by Buckinghamshire county council, and I understand that it will report this summer.

Dr. Starkey: While I welcome the study that is being undertaken, may I remind the Minister that by 2008 there will be an additional platform at Central Milton Keynes station, which will allow the service to turn the corner from Bletchley and come up to Central Milton Keynes, vastly increasing the number of passengers likely to use the Oxford to Bletchley and Central Milton Keynes route? The additional housing growth in Milton Keynes will also increase custom. Will the Minister take those two factors into account?

Derek Twigg: The report produced by Buckinghamshire county council has been overseen by the Office of the Deputy Prime Minister, which is driving the growth areas agenda. The study linking housing development and transport infrastructure is obviously important to the area, and this project is important for the consortium and the regional stakeholders. As yet, we have not seen the report or the draft conclusions, but any decision will have to take into account value for money, cost and priority.

Tony Baldry (Banbury) (Con): This is all complete pie in the sky, because the Strategic Rail Authority is killing off such railways as still exist between Oxford and Bicester. It is reducing the service from seven trains a day each way to just two, with no service after 4 o'clock in the afternoon. This discussion is totally pointless because the SRA is closing down the line. Talking about the east-west rail link when there is not even a link between Oxford and Bicester Town is completely meaningless. The SRA just does not care, because it will pass on its responsibilities to Ministers in the near future. Will Ministers therefore please get a grip on this issue? For the sake of my constituents and many others in Oxford who rely on these services to get into work or for the purpose of recreation or study, will the Minister get to grips with the SRA and at least try to ensure that the line between Oxford and Bicester survives, even if we do not get the east-west rail link for some years to come?

Derek Twigg: Obviously, we have to take into account capacity and demand, including the number of passengers using that service. My hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) has been campaigning for the improvement that she mentioned earlier, and we must also take into account the community infrastructure fund bid in regard to improving capacity at Milton Keynes station. We are listening to the representations that are being made, but an awful lot of investment is taking place. That is why we are seeing increased and improved performance on the railways.

Cornwall Sleeper Service

3. **Matthew Taylor** (Truro and St. Austell) (LD): If he will take steps when assessing franchise applications to ensure the future of the Cornwall sleeper service. [7336]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The Strategic Rail Authority issued invitations to tender to bidders for the new Greater Western franchise on 2 June. The invitation to tender's base case includes provision of the sleeper service, which will be considered as part of the evaluation of the franchise. At the same time, the SRA initiated a consultation exercise on the service provision for the franchise. The formal consultation runs for eight weeks.

Matthew Taylor: Does the Minister agree that, at a time when hundreds of millions of pounds are being invested through the objective 1 process to help business in Cornwall, it would make no sense to cut the vital sleeper service as a result of the process that is isolating that service from the rest of the franchise? The sleeper service provides the only way for businessmen to avoid wasting half a day travelling in one direction or another. Will the Minister look into the economic impact on the wider business community in Cornwall of removing the sleeper service?

Derek Twigg: Obviously, I understand the concerns that have been raised, and we had an Adjournment debate on the matter recently in Westminster Hall. The issue is part of the base case for the tender. Bidders are being asked to propose an alternative way of serving the market for overnight travel between London and the south-west. I understand the economic concerns and the concerns of the business community, but we are in a consultation process in which business, local people, Members of Parliament and other organisations can make representations. As I said last week, no decision has yet been taken.

Alison Seabeck (Plymouth, Devonport) (Lab): I thank my hon. Friend for his answer. About 18 months ago, the then Secretary of State for Trade and Industry, now my right hon. Friend the Secretary of State for Health, said:

"when you're looking at the South West, getting the Transport system right is one of the most important things you can do to help . . . business and bring investment to the Region."

Does he agree that getting the transport system right includes ensuring that the overnight service to Plymouth and Cornwall is retained?

Derek Twigg: I understand that my hon. Friend has made representations and has been actively campaigning on this issue. Affordability and cost-effectiveness are also issues, however, and we must consider that in relation to the overall bid, as the service is not as well used as some people try to make out. We need to take account of those considerations when making a decision.

Mr. Hugo Swire (East Devon) (Con): I invite the Minister to spend some of the summer recess down on the south-west peninsula, where he will be able to see for himself the appalling congestion on the roads going through Devon into Cornwall. The question of the sleeper service is more than anything else a symbol of the Government's commitment to the rural transport infrastructure of the south-west peninsula. We have just witnessed the downgrading of many arterial roads into the south-west, and it is critical that the Government commit time and money to maintaining a sleeper service and to examining how motorail could get more traffic off the only existing roads and on to rail.

Derek Twigg: As I have said, record investment is going into our railways, and we have seen a massive improvement in performance and reliability, as well as investment in the region. I am not sure what the hon. Gentleman's Government did about that when they were in power, but they do not seem to have invested in the way that we are doing. I do not know whether he is offering to put me up during a visit to the south-west, but we shall wait and see.

Andrew George (St. Ives) (LD): The sleeper service terminates at Penzance in my constituency, and we know that the Secretary of State will ultimately decide whether we will keep the sleeper service. Can the Minister assure me that instead of salami-slicing out the so-called non-profit-making elements of the service, which will ultimately result in the salami-slicing of other parts of the service, there will be a service after the 6 o'clock service from Paddington on which people from west Cornwall can depend to get them home late at night?

Derek Twigg: As I said when I started responding to the questions, we are in a consultation period in which hon. Members can put forward their views on what is proposed, which does not mean that things will not be altered. At this stage, there has not been a decision to stop the sleeper service. It is an expensive service, however, costing around £5 million a year, which takes up a lot of engines and resources. We need to consider that, it is sensible to do so, and that is why we have asked the bidders to outline the costs separately as well.

Tyne Tunnel

4. **Mr. Stephen Hepburn** (Jarrow) (Lab): If he will make a statement on the Tyne tunnel. [7337]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): The Tyne and Wear passenger transport authority has applied to my Department under the Transport and Works Act 1992 for powers to build a second Tyne tunnel. We hope to reach a decision shortly. I cannot comment on the merits of the scheme before the decision is taken.

Mr. Hepburn: It was in 1997, when I first entered the House, that I introduced the paving Bill for the second Tyne tunnel. It is now 2005, and not even a brick has been laid. When will the Minister get something done and sort out the civil servants to make sure that the scheme goes ahead, in order to create jobs in the area and relieve traffic congestion?

Dr. Ladyman: I hear what my hon. Friend says. The fact is that the decision was delayed as a result of the PTA changing its mind about what powers it required after the initial inquiry. In fairness, we must then allow other people to comment on that decision. The decision will be made as quickly as possible. As I said, because Ministers are required to act in a quasi-judicial mode on those sorts of decisions, I cannot comment on the merits, as that would be the quickest way to make sure that the scheme was delayed even further.

Mr. David Clelland (Tyne Bridge) (Lab): The Minister might also be aware that I have made the case in this Chamber, even before 1997, for action to be taken to relieve congestion in the Tyne and Wear area, particularly on the A1 western bypass. The second tunnel will greatly help in that direction, so will he listen to my hon. Friend the Member for Jarrow (Mr. Hepburn), who has been putting the case well over many years, and take urgent action to get this scheme under way as early as possible?

Dr. Ladyman: From our point of view, we will make the decision as quickly as possible, and I certainly expect it within the next few weeks. All that I can say is that I have heard what my hon. Friends have said, and all comments will be taken into account.

Penwortham Bypass

5. **Mr. David S. Borrow** (South Ribble) (Lab): What discussions his Department has had with Lancashire county council concerning the completion of the Penwortham bypass. [7338]

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): No discussions have been held between the Department and Lancashire county council regarding this scheme.

Mr. Borrow: May I ask my hon. Friend to give very sympathetic consideration to Lancashire's next local transport plan if it includes the completion of the Penwortham bypass, and will she also consider approving more than one scheme under that plan? Doing so would enable a large local authority such as Lancashire to enjoy the same benefits as smaller local authorities, which can get one scheme approved for every local transport plan.

Ms Buck: In fact, Lancashire county council can submit as many bids for major local transport plan projects as it wishes, but what we do ask is that it set priorities for those schemes. I understand that it has consulted on a number of major schemes for inclusion in the second local transport plan, and that the completion of the A59 Penwortham bypass—a £20 million project—is included. But it is for Lancashire county council to introduce this proposal and to make bids. As it is the current local transport authority of the year, I am sure that it will do so very well.

Mr. Lindsay Hoyle (Chorley) (Lab): May I support my hon. Friend the Member for South Ribble (Mr. Borrow) in the case that he makes for the Penwortham bypass? I can assure the Minister that it will ease the pressure not just on South Ribble, but on the Chorley constituency and on the beautiful villages of Croston, Maudsley and Bretherton, for example. They need this bypass because of the number of heavy vehicles that use that historic part of Chorley as a short-cut.

Ms Buck: I can assure my hon. Friend that nothing would give me greater pleasure than to relieve pressure on Chorley, but as I said, it is for Lancashire county council to make this bid. As I understand it, the proposal will form part of the local transport plan, although the question of funding may not be considered until at least 2010. Of course, I cannot give any commitment on the funding situation at that time. We will consider the bid on its merits when it is made.

Transport Infrastructure (Cornwall)

6. **Julia Goldsworthy** (Falmouth and Camborne) (LD): What assessment his Department has made of transport infrastructure needs in Cornwall; and if he will make a statement. [7339]

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): Cornwall county council assessed transport needs in 2000, and the Department has since worked with it to support transport investments. In providing funding, we focus on the cost-effectiveness and affordability of proposals. This approach will continue into the second phase of local transport plans. We expect a local transport plan shortly.

Julia Goldsworthy: I am concerned about the lack of joined-up thinking here. Will the Minister please explain why her Department is considering cutting rail services such as the Night Riviera, given that the mothballing of RAF St. Mawgan could force the closure of our only airport? Are these the actions of a Government who are genuinely committed to getting more people off our congested roads?

Ms Buck: The Government are committed to supporting Cornwall's transport infrastructure in a number of ways. We have already heard about the sleeper service, and a consultation exercise is under way for the Greater Western franchise. The hon. Lady will doubtless also be aware that discussions are taking place between the Ministry of Defence, Cornwall county council, the Department for Transport and other regional partners on the future of Newquay and St. Mawgan airports. The MOD, rightly, must take a decision in the interest of this country's defence requirements, but we are working closely with those partners to ensure that the various options are considered. The council is introducing an options appraisal, and the MOD has made it clear that it wants Cornwall's priorities and preferences to form part of its decision-making process.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Does my hon. Friend agree that investing in the Bristol end of our region can have an impact on the infrastructure required at our end of the region, which includes not only Cornwall but Plymouth? With that in mind, will my hon. Friend ensure that the large sums that need to be invested in Stonehenge—bearing in mind that it is a national heritage site—come from the national pot, rather than the regional pot? We desperately need the money from the regional pot to be invested in the south-west, including the far south-west.

Ms Buck: My hon. Friend is absolutely right to make it clear that transport infrastructure does not begin and end at a local authority boundary. A decision will be made on Stonehenge in due course, and I am not in a position to pre-empt it. She makes a very good case, which will doubtless be considered in the general appraisal.

Rail Services (East Midlands)

7. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What steps he is taking to improve rail services in the east midlands. [7340]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The route utilisation strategy for the Midland Mainline and the east midlands was published on 3 March 2004. The strategy is designed to make better use of existing tracks and trains along the route and is designed to improve punctuality and reliability. There have been a number of improvements to the Midland Mainline timetable from 12 June 2005.

Mr. Reed: I welcome my hon. Friend's reply and accept that there have been some improvements to the timetable. However, is he aware that Loughborough is one of the busiest railway stations in the east midlands, particularly in view of the size of the town, yet it is probably one of the worst and still has a short platform? A number of partners are involved and the change from Central Trains to the Midland Mainline may make a difference, but will my hon. Friend use his influence to bring together all the partners to put a final solution in place that will lengthen the platform at Loughborough, improve the facilities and move forward so that we can reap the benefit of increased train services?

Derek Twigg: I thank my hon. Friend for his question. I know that he has campaigned for improved facilities at the station, for a lengthened platform and also for more car parking spaces. Obviously, every scheme has to be assessed in terms of viability, cost and the available resources. I know that Central Trains is looking into increasing the number of parking places to 160. There is also the local authority scheme, the eastern gateway project, which is aimed at enhancing car parking and improving the interchange facilities. Announcements are made on the trains requesting passengers to move forward to the front carriages to help them get off safely at the platform.

Mr. Alan Duncan (Rutland and Melton) (Con): Last week, hundreds of passengers from the east midlands were, following a power failure, stuck in a stationary train in the blazing heat with the windows and doors left totally sealed. It remains unclear whether train staff refused to open the doors to let in some fresh air or were unable to do so. Most people suspect the former. We all understand the danger of letting anyone on to a railway line, but it cannot be acceptable for a train load of passengers to be trapped and left cooking for hours in temperatures far in excess of 100° with no one either willing or able to let them breathe. What inquiry has the Minister demanded and what conclusions has he already made about the manner in which health and safety rules and the risk of litigation stifle all the basic initiative, which is the most effective resource for resolving such situations?

Derek Twigg: Obviously, we were concerned to hear about the discomfort and distress experienced by passengers during that incident. The Health and Safety Executive is investigating, but its investigation is at an early stage as yet. Network Rail will also be leading an industry review of the incident, looking into what happened and how it was managed. Clearly, it is dangerous to have passengers running around a live line, so it is often better for them to stay on the train. We shall have to wait and see what the inquiry comes up with.

Mr. Duncan: Can the Minister confirm that in assessing the performance of train operating companies in the east midlands or, indeed, anywhere else, it is not his Department's intention to nationalise them without compensation through devious or any other means, and that he will never allow either their shareholders or—

Mr. Speaker: Order. That question is out of order.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I am sure that the Minister would like to congratulate Midland Mainline on moving from being one of the worst performing inter-city companies in respect of punctuality two years ago to being one of the best performers on punctuality, as the latest figures reveal. At the same time, he will recognise that it takes two hours and 20 minutes to get to Sheffield and one hour and 35 minutes to get Doncaster. We have had massive investment in both the east coast and the west coast main lines, but on the Midland Mainline there is still much inadequate infrastructure, inadequate track and antiquated signalling. Will he therefore give the Midland Mainline some priority for the necessary investment?

Derek Twigg: As my hon. Friend mentioned, there have been a number of improvements. For instance, Derby and Nottingham have faster and more reliable services. For Sheffield, the 17.30 service from London, which currently terminates at Derby, will now run through to Chesterfield and Sheffield, and the Master Cutler will depart London at 16.55 instead of 17.15. Clearly, there are always constraints on the network in respect of what can be prioritised and spent on at any particular time. We have to look into the individual case and reflect on my hon. Friend's arguments.

David Tredinnick (Bosworth) (Con): Will the Minister focus on the services from Hinckley for a moment and recognise that 50 per cent. of the trains that used to stop there before the timetable change of 12 June no longer do so? There has been a 50 per cent. reduction. Is he further aware that there are now no through trains to Shrewsbury or Lincoln. My constituents wanting to go on holiday in Skegness now have to change in both Leicester and Nottingham, and the Nottingham train will make 12 stops on its way from Crewe. That is fact, so what is the Minister going to do about it?

Derek Twigg: I understand the hon. Gentleman's concerns and the case that he makes. There are capacity constraints and demand issues for particular lines and stations, but I am more than happy to meet him to discuss the issue further.

David Taylor (North-West Leicestershire) (Lab/Co-op): The service on the Midland Mainline from London to Leicester is very good, with half-hourly trains. It has improved greatly in the past two to three years, but it could be improved even further if the service on the national forest line from Leicester to Burton, through Coalville and Ashby in my constituency, could be restored. When my hon. Friend and I next travel together on the west coast main line and alight at Tamworth, will he come with me to have a look at the potential for that line, which could add a lot socially, economically and environmentally to the national forest area?

Derek Twigg: When my hon. Friend and I next discuss matters over breakfast, he may wish to raise that issue. I shall consider his point and have a further conversation with him.

Reopened Railways

8. **Norman Baker** (Lewes) (LD): How many miles of closed railway in England have been reopened since 1 May 1997. [7341]

The Secretary of State for Transport (Mr. Alistair Darling): Since 1997, 12 miles of railway line have been reopened and some 36 miles have been redoubled. Also, some 27 miles of former railway alignment are now being used by light rail. In addition, stage 1 of the channel tunnel rail link includes 46 miles of new railway line and stage 2, when it opens in 2007, will form an additional 24 miles.

Norman Baker: Twelve miles is pathetic, given the renaissance of rail that Labour promised when it came to power some eight years ago. Many former railway lines are crying out to be reopened, not least the Lewes-Uckfield line in my constituency. The social, environmental and economic case for that is beyond question. The reopening is supported by all three parties, it would close a small gap in the network and provide an alternative to the Brighton main line. If we cannot reopen that line, when will any line reopen under Labour?

Mr. Darling: I cannot tell the hon. Gentleman that there is any likelihood of that line reopening in the near future. I mentioned the new railway lines and those that are being used for light rail, but for the sake of completeness, it is fair also to include the nearly £8 billion that we spent upgrading the west coast main line; the improvements that are being made to the east coast main line; the £1 billion we spent on replacing the Southern power supply, which affects trains to the hon. Gentleman's constituency; and the fact that 40 per cent. of all rolling stock has been replaced in the past five years. It simply is not true to say that money has not been spent on the railways: £87 million of public money, which is also bringing in money from the private sector, is being spent on the railways. The hon. Gentleman has conveniently forgotten that that is an awful lot more than the Liberal Democrats ever promised.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): My right hon. Friend will be aware that we await a date for the Second Reading of the Crossrail Bill, which will open up opportunities for cross-London transport that are currently closed for rail purposes. Can my right hon. Friend give us a date for Second Reading and will he also look again at the case for a station at Woolwich, without which a six-mile section of that network will be closed to passengers from south-east London?

Mr. Darling: I know of my right hon. Friend's interest in the Crossrail project. The timetable is a matter for the business managers and I cannot make any announcement to the House on that today. The Bill has had its First Reading and, if it gets a Second Reading, it will go into Committee, and that is the opportunity for my right hon. Friend to make representations. Substantial representations have already been made in respect of Crossrail. People want major changes and minor changes, but I hope that the process can be dealt with as expeditiously as possible.

My right hon. Friend is right to draw attention to two matters. In relation to London's transport needs, we are making the investment for the future. I remind the House that after years when the railways were starved of investment, when the Conservatives saw no long-term future for the railways, we now have a substantial increase in investment and more and more people are using them.

Mr. Philip Hollobone (Kettering) (Con): Is the Secretary of State aware that calls for the reopening of the Kettering to Corby railway line to regular passenger traffic enjoy popular support in north Northamptonshire? However, in the Government's Milton Keynes and south midlands sub-regional spatial strategy, published in March, plans for the reopening of that line were described as

"a possible future priority, but not a current priority."

Given that Corby is the largest town in western Europe without access to a regular rail passenger service, can the Secretary of State advise the House when plans for the reopening of Corby station will be announced?

Mr. Darling: I am aware of the calls to open that particular railway line and many others, but I remind the hon. Gentleman, in the nicest possible way as he is new to the House, that just a few weeks ago he stood on a platform for cutting public expenditure, including substantial cuts in transport, which would have made it impossible to open that line, or indeed any other.

Mr. Michael Foster (Worcester) (Lab): The Cotswold line running west from Oxford to Worcester is hampered by elements of single tracking along its route—the other half of the track has been closed down. Will my right hon. Friend undertake a review of the impact of that on the efficiency and capacity of services along that important route?

Mr. Darling: As I said in my original reply, double tracking has been restored on a number of lengths of track where that is justified by the passenger traffic. I can make no specific promises about that particular stretch of track, but I would say more generally that although I understand the many arguments for reopening railways, we are spending a very large amount indeed on them and it will not be possible to meet everyone's representations or demands. At least, my hon. Friend stood on a platform at the last election for increasing public expenditure.

Railways Congestion Charge

9. **Susan Kramer** (Richmond Park) (LD): What assessment he has made of the potential impact of congestion charges on the railways. [7342]

The Secretary of State for Transport (Mr. Alistair Darling): There are no plans to introduce a congestion charge for the railways. As I have said before, pricing people off the railways is not the answer.

Susan Kramer: Does the Secretary of State accept that in my constituency and others in south-west London, above-inflation increases in rail fares, to the point where we pay about five times the 'amount in equivalent

European cities, are in effect becoming a congestion charge on rail, as if that policy had been implemented? Would not it be wise to change it?

Mr. Darling: As I said a few moments ago, I do not believe that a congestion charge for railways of the sort that was being talked about a week or two ago is the right thing to do. In relation to trains generally, it is the case that fares have gone up, but although the hon. Lady is a Liberal Democrat I remind her that at some stage someone has to pay for the railways and the money has to come either from the taxpayer or the fare payer, or a balance between the two. That is what we have tried to do. I am sure that over the past three or four years the hon. Lady will have noticed that the South West Trains fleet has been substantially replaced by new trains; unfortunately, again, they have to be paid for.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my right hon. Friend remain committed to Merseytram line 1 between Liverpool and Kirby, provided that the issue of costs is addressed reasonably?

Mr. Darling: My hon. Friend will be aware that I have written to Merseytravel setting out the position. That is another light rail scheme where the costs increased far above what was originally expected. The Government said that £170 million would be available in cash terms to Merseytravel, and that offer remains if the company can cut its costs. I know that Merseytravel is looking at what it might do to reduce its costs. As I have said many times before, light rail can provide a useful way of transporting people, but the costs must be brought under control. Merseytravel was optimistic about that, but sadly when the final costs came in they were much higher than people had thought. Let us see what we can do to try to bring the costs down again, although it is too early yet to say whether that will be possible.

Tom Brake (Carshalton and Wallington) (LD): I welcome the Secretary of State's clear statement that he will not allow punitive fares to be used to price passengers off the railways, but can he tell the House at the earliest opportunity what progress he has made on drawing up a plan for fast rail links to create the additional capacity that is needed, so that the Association of Train Operating Companies does not need to consider such madcap schemes?

Mr. Darling: First, in relation to fast rail links, as I think I have told the House before, the Chancellor and I asked Rod Eddington to work on a long-term study of our transport needs, which will include high-speed rail links. If we go ahead with those, that will provide additional capacity. However, other measures will be needed to provide additional capacity for the suburban links, especially in London and the south-east. The sort of links to which the hon. Member for Richmond Park (Susan Kramer) was referring would not be met by a high-speed train link. What is needed is a little more imagination. Longer trains could be used. I said the other day that over the longer term, we should look at the use of the double-deck trains that are commonplace in parts of Europe. Many things need to be done, but one of our problems is that more than 1 billion people were carried by rail last year—the highest total since the late 1950s. If that growth continues, we shall certainly have to address capacity problems. High-speed links will be part of that, but in relation to commuter services other solutions will need to be considered as well.

Andrew Mackinlay (Thurrock) (Lab): Will the Secretary of State use his good offices to work on the rail operators to re-examine not the congestion charge concept, but the reintroduction of early-bird tickets, which helped a lot of people on low pay to get to work and relieved congestion? It was a retrograde step when those operators decided to abandon early-bird tickets, which were much valued and environmentally friendly.

Mr. Darling: Again, I have said in the House and elsewhere that I think railway companies should do more to encourage people to travel on trains that are not terribly well used at the moment. Indeed, they might take a lesson from the low-cost airlines, which have shown how they can fill aeroplanes at all times of day and night; I think that some of the train operating companies are actually doing it.

Mr. Alan Duncan (Rutland and Melton) (Con): That is a congestion charge.

Mr. Darling: The hon. Gentleman says that that is congestion charging: no, it is not. The aim of a congestion charge is to get people off the trains, full stop. Sensibly managing the passenger loads on trains must be a good idea. The hon. Gentleman is, I understand, one of the many standing for the leadership of the Conservative party, yet he is closing his mind to a good idea for managing Britain's railways.

Mr. John Hayes (South Holland and The Deepings) (Con): At the last Transport questions I asked the Secretary of State's sidekick about specific measures to deal with rail congestion, and his answer was mercifully short but woefully inadequate. So I ask the Secretary of State, what specific measures does he have to deal with rail congestion? He has mentioned longer trains, yet earlier today we heard that he does not believe in longer platforms.

Mr. Darling *indicated dissent.*

Mr. Hayes: Well, longer trains without longer platforms would be an entirely undesirable policy. The Secretary of State has spoken publicly about road congestion and what he plans to do about that, without any assessment or mention of the impact of road congestion measures on rail congestion. His 10-year transport plan says that the Government will deal with overcrowding, yet his Department says that overcrowding may occur. What specific measures is he going to bring before the House quickly, so that we can deal with the urgent problem of overcrowding on our railways?

Mr. Darling: The hon. Gentleman, too, stood on a platform for cutting transport spending, so it is a bit rich of him to come along today and ask us what further plans we have for increasing railway spending. But he does have a point, in that what we should all be concerned about—it is encouraging that his hon. Friend the Member for Rutland and Melton (Mr. Duncan).

who speaks for the Conservative party on transport matters, accepts this—is how we can arrange for more people to travel in future, and for more goods to be transported as efficiently and effectively as possible. That means a sensible policy for ensuring that we manage our roads, and it means increasing capacity on the railways.

A few moments ago, I mentioned to the hon. Member for Carshalton and Wallington (Tom Brake) some of the measures that I think we need to look for in relation to the railways. There will be other measures as well. But I would say to the hon. Member for South Holland and The Deepings (Mr. Hayes) and other Conservative Members that at some stage they will have to come to a realisation that while management can achieve quite a lot, it is necessary to spend some money on the transport system; indeed, the reason that much of our transport has difficulties today is that successive Governments did not spend enough when they should have done. We are putting that to rights now; it is just a shame that the hon. Gentleman did not support us in that at the last election.

Traffic Calming (Leicestershire)

10. **Keith Vaz** (Leicester, East) (Lab): What steps he is taking to provide traffic calming measures for new roads in Leicestershire. [7343]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): Responsibility for the vast majority of roads in Leicestershire lies with the local highways authorities—Leicester city council and, outside the city, the county council. The highways authorities are provided with substantial Government funding support to use on capital works, including traffic calming. It is for the local authorities to decide which priorities to address with the funding.

Keith Vaz: May I thank the Minister and the Government for providing funding for the establishment of the Victoria road extension in my constituency, which has relieved congestion on Uppingham road and Gypsy lane? But as he knows is often the case with new roads, as soon as that road was opened there were a number of accidents on it. What guidance exists for local authorities to enable them to ensure that when new roads are built, there are sufficient traffic calming measures to prevent accidents? This is not a call for speed cameras; it is a call for other traffic calming measures, which will save lives.

Dr. Ladyman: I can understand my hon. Friend's concern, and traffic calming obviously plays an important part in road safety. The Victoria road east extension, to which he refers, has been completed recently and there have been some accidents on it already. When roads are designed, we provide expertise and support to ensure that every possible measure is taken to make sure that the road will operate safely. If that subsequently proves not to be the case, it is important that local authorities prioritise work to improve safety on those roads. I have no doubt that his local council will do that very thing, and if the Department can provide it with any advice on how to do it, we will certainly do so.

Transport Innovation Fund

11. **Mr. John Leech** (Manchester, Withington) (LD): If he will make a statement on the transport innovation fund. [7344]

The Secretary of State for Transport (Mr. Alistair Darling): The transport innovation fund will help to develop innovative local transport packages and support regional and local schemes that are beneficial to national productivity. Further information on the objectives and operation of the fund will be published in the near future.

Mr. Leech: Given the Prime Minister's promise during a recent visit to Rochdale in April to deliver Metrolink phase 3, will the Secretary of State now guarantee the necessary money from the transport innovation fund and finally get Metrolink back on track?

Mr. Darling: The hon. Gentleman's attention will, no doubt, have been drawn to the statement that I made on 16 December last year, when I set out the position in relation to Metrolink, what now needs to be done and its access to the transport innovation fund. What I said when the matter was last raised in the House remains exactly the position.

Since the hon. Gentleman has raised this issue, I hope, Mr. Speaker, that you will allow me to pay tribute to his predecessor, Keith Bradley, who did an awful lot of work to try to get Metrolink moving along.

Graham Stringer (Manchester, Blackley) (Lab): Any increase in funds from the transport innovation fund would be very welcome, but the Greater Manchester and the Tyne and Wear passenger transport executives are worried that there could be a compensatory cut in revenue funding when the national concessionary fare scheme is implemented. Can my right hon. Friend assure me and the House that, in implementing the national concessionary fare scheme, no passenger transport executive will lose out?

Mr. Darling: My hon. Friend will be aware that the Chancellor announced, I think, £350 million in the Budget this year, and we are discussing with the Office of the Deputy Prime Minister how those funds should be made available to make sure that the scheme is funded adequately so that it works, but that is entirely separate from the transport innovation fund. Those funds would not be applied to the concessionary scheme. That money was specifically earmarked by the Chancellor in the Budget in March this year.

Paul Rowen (Rochdale) (LD): Given that the transport innovation fund will not be available until 2008, will the Secretary of State tell us when an announcement will be made about the release of funding for phase 1 of the Greater Manchester Metrolink scheme?

Mr. Darling: I can only refer the hon. Gentleman to what I said a few moments ago. I think that he was in his place then. I set out the position quite clearly in December last year, and I am not sure whether I can add

anything more to that. If he has any doubt about that, I suggest that he look at *Hansard* for 16 December last year, and he will see the position clearly set out.

Rail Freight

12. **Mr. David Kidney** (Stafford) (Lab): What plans he has for increasing the volume of freight transported by rail. [7345]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): Rail freight is a private sector industry in which growth is driven by competition and innovation. The amount of freight moved by rail has grown by 55 per cent. since privatisation. To support that, the Government provide financial support where it offers clear safety, congestion and environmental benefits. We set out our proposals to provide freight operators with greater certainty about their rights on the network in last year's railways White Paper.

Mr. Kidney: I thank my hon. Friend for that answer. There has been a big increase in the volume of rail freight since 1997, and I am keen to see that growth continue. Will he say a little about the actions that will be required in respect of the future need for additional infrastructure, who will pay for that and whether it is intended that there will be a successor to the successful rail freight grant scheme?

Derek Twigg: As my hon. Friend says, there has been sizeable investment in this private sector industry. Let me outline some of the things that have happened. I repeat that there has been 55 per cent. growth in rail freight, which is tremendous. A grant will provide more than £20 million a year over the next two years to support the transfer of freight from road to rail. The Office of Rail Regulation is giving long-term access contracts to provide a platform for greater stability and certainty. English, Welsh and Scottish Railway has a freight agreement with the channel tunnel and there has been a £30 million gauge improvement between Felixstowe and the west coast main line. The rail freight market continues to increase.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Many businesses in Shrewsbury would like to send their freight by rail, but there is no direct rail link between Shrewsbury and London. We are the only county town in England without one, so will the Minister try to help us to secure that vital link?

Derek Twigg: I do not know whether the hon. Gentleman is asking for a completely new railway line. I have already outlined the investment that has been made, such as the £30 million gauge improvement between Felixstowe and the west coast main line. Of course, the amount of freight carried on the railway is increasing. We must prioritise the way in which we spend money, but it is a fact that the amount of freight transported by rail continues to increase.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend knows that the increase in freight traffic brings with it a requirement to four-track the line through Tamworth, which will no doubt cause much inconvenience to the town because it will take out the two main road bridges between the north and the south. Will he assure me that, having suffered that inconvenience, we will get some benefit by seeing once again local community trains running on the four-track line and that Tamworth will be considered for being made a terminal point where the lines between the north-east, south-west, north-west and south-east cross? At present, we continually send people to Birmingham New Street, which is a congested sticking point.

Derek Twigg: I cannot promise my hon. Friend community rail links, but as he knows, the substantial improvement to the capacity of the west coast main line will allow 60 per cent. more freight to be carried on it. I know that he has worries about the matter, so I am more than happy to meet him to discuss it further.

Mr. Julian Brazier (Canterbury) (Con): The Minister knows that the rail freighting of containers coming through the busy port of Felixstowe can be done only via London if they are heading for the north-west of the country. Is he aware that the plans for Crossrail, especially the section from Shenfield to Stratford, will substantially prevent such rail freighting? Given that we face the prospect of a large number of extra heavy lorries on the M25, may I urge him either to examine the relatively modest investment that would be required to improve the Peterborough to Nuneaton link to the extent that it could carry freight or to consider modifying the plans for Crossrail, because no one wants even more congestion on the M25?

Derek Twigg: I am not sure whether the hon. Gentleman heard what I said before. There has been a £30 million gauge enhancement to the west coast main line, which is a major improvement. I hope that the Crossrail Bill will receive its Second Reading and then we can consider matters such as freight during its passage, especially in Committee. It is rich if he is asking for more investment because, as my right hon. Friend the Secretary of State said, he stood in the election on a platform of cutting resources for the railways.

Roads (East Anglia)

13. **Mr. Bob Blizzard** (Waveney) (Lab): What priority he plans to give to improving major road links in East Anglia. [7346]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): We announced in December 2004 a programme of major transport schemes that we propose to take forward in the east of England. They include road improvement schemes that will benefit East Anglia.

Mr. Blizzard: I welcome my hon. Friend to his new role. I am not sure whether he has ventured down the highways and byways of East Anglia, but if he has, he will have entered a different world of narrow and winding single carriageway roads on which one travels at the speed of the slowest vehicle, which is usually a tractor. Those roads could be improved through local transport plans, so will he confirm that each local

authority should determine its priority for those capital schemes and that, provided that they cross a basic cost-benefit threshold, the Department for Transport will respect the priorities when local authorities submit their plans?

Dr. Ladyman: Of course. I am grateful to my hon. Friend for his kind words and would be pleased to join him on a drive through those quaint roads. I can confirm that local transport plans give local authorities the opportunity to prioritise schemes, as long as they offer appropriate value for money. Subject, of course, to total funding—we must not forget that—we will not interfere with those prioritisations.

CHANCELLOR OF THE DUCHY OF LANCASTER

The Chancellor of the Duchy of Lancaster was asked—

Public Appointments

21. **Keith Vaz** (Leicester, East) (Lab): What steps he is taking to improve diversity in the public appointments he makes. [7317]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): The Government remain committed to increasing diversity in public appointments. The Cabinet Office is working to encourage applications for appointments from all sections of society.

Keith Vaz: I welcome the Minister's commitment to the diversity agenda, but it is a fact that the number of women and ethnic minority people who serve on quangos is still woefully inadequate. I realise that the Government are committed to action plans, but is it not the case that, after eight years, we need fewer action plans and more action, less consultation and more decisions? Will he give the House an assurance that he and his Department take this issue very seriously so that the public appointments that we make really look like the rest of Britain?

Mr. Murphy: I pay tribute to my hon. Friend who, both today and over the years, has dedicated much energy and political time to this important issue. He is right to acknowledge the progress that has been made in recent years, but he is also right to demand that more be done. We are not complacent and a series of new initiatives aims to ensure that bodies that serve the public more accurately represent society as a whole, as he said. If he or any other hon. Member has specific ideas about what more can be done, my Cabinet Office team and I would be delighted to hear them.

Mr. Kevan Jones (North Durham) (Lab): One of the Government's big mistakes was setting up the NHS Appointments Commission, which arrogantly fails to consult local people on appointments and, more worrying for hon. Members, treats Members of Parliament with contempt. What can my hon. Friend do to increase the representation of ethnic minorities and women in NHS public appointments and to make sure that the commission is accountable to local people so that its appointments represent a cross-section of society? Certainly in the north-east, the commission is failing woefully in that aim.

Mr. Murphy: My hon. Friend will accept that I cannot comment on the specific case that he raised, but he can rest assured that we are committed to the goal of ensuring greater diversity and accountability and to narrowing the distance between public bodies and the public whom they serve. If my hon. Friend has specific details about the accusations and allegations that he made, I would be delighted to hear from him.

Departmental Advertising

22. **Bob Spink** (Castle Point) (Con): What recent discussions he has had on levels of advertising expenditure of Government Departments. [7318]

The Chancellor of the Duchy of Lancaster (Mr. John Hutton): The Cabinet Office oversees the work of the Central Office of Information, so I have regular discussions on its activities with officials and others.

Bob Spink: Will the Minister address the issue constructively if he possibly can? Reducing Government advertising expenditure to 1997 levels in real terms would save about £200 million next year. The public want that money to be spent responsibly, not irresponsibly wasted on Government advertising.

Mr. Hutton: I shall try to respond to serious suggestions. Sadly, I am not sure that what the hon. Gentleman said constitutes a serious proposition. The Central Office of Information spent about £167 million last year on media. If we were to reduce that spending by £200 million there would be nothing whatsoever to spend on our campaigns to help people give up smoking and to recruit more soldiers, sailors and Air Force personnel to the armed forces. We would not spend anything on campaigns against drink-driving or a range of other campaigns that I would expect right hon. and hon. Members on both sides of the House to regard as sensible and constructive. I am afraid that, on this very rare occasion, the hon. Gentleman has not come up with anything sensible for me to consider.

Mr. Sadiq Khan (Tooting) (Lab): In May this year, there were 3,390 pensioners in Tooting receiving the benefit of pension credit. We are concerned that there may be many thousands more not receiving that benefit. Does my right hon. Friend agree that the Government have a duty to provide information to the public and ensure that more pensioners, in particular, get what they are entitled to? Is that not an argument for more to be spent on advertising and making sure that all our citizens know what they are entitled to?

Mr. Hutton: I am not sure that we will be spending any more, in that sense, but I agree with my hon. Friend's central point, particularly in the light of the argument that we had last week. Most Labour Members regard it as an important responsibility that we encourage people to take up benefits to which they are

entitled. With reference to his example of tax credits, I should have thought that hon. Members on both sides of the House would understand the need for expenditure in that area and not take the advice of the hon. Member for Castle Point (Bob Spink).

Mr. David Heath (Somerton and Frome) (LD): One Department that uses a substantial amount of advertising is the Home Department, often for very good reasons. If, heaven forfend, the House passes the Identity Cards Bill, will there not be a requirement, especially in the absence of compulsion, to advise an awful lot of people why they might need a card to tell who they are, what distant city they might have to go to in order to have their measurements taken and how much it will cost? Has any estimate been made of the advertising implications of the Bill? Why is that not included in the regulatory impact assessment?

Mr. Hutton: Certainly, the Cabinet Office has not done that and, ultimately, those are matters for my right hon. Friend the Home Secretary to consider. The role and function of the Central Office of Information is to provide sensible information at value-for-money prices about a range of programmes and policies that are relevant to taxpayers and the community at large, and we will continue to do that.

Lord Birt

23. **Norman Baker** (Lewes) (LD): If he will make a statement on the current work programme of Lord Birt. [7319]

The Chancellor of the Duchy of Lancaster (Mr. John Hutton): Lord Birt is the Prime Minister's unpaid strategy adviser. He provides the Prime Minister and other Cabinet Ministers with advice on a wide range of issues. He is also a member of the Cabinet Office strategy board and the civil service reform programme board.

Norman Baker: I thank the Minister for that content-free answer. We will rely on the Kremlinologists to find out what Lord Birt is actually doing. Given that he has a major and disproportionate influence on the Prime Minister, despite the fact that all he has ever done is nearly wreck the BBC, is it not about time we found out what he was doing? Is it not time he was accountable to the House? Will the Minister start by publishing his work programme?

Mr. Hutton: If the hon. Gentleman thinks my answer was content-free, he should have seen the first one that I was given to read out. He has taken a close interest in what Lord Birt does in Government and asked for Lord Birt to be accountable to the House. We need a sense of proportion in all this. Lord Birt is the Prime Minister's unpaid strategy adviser. The Prime Minister is entitled to receive advice on that basis from whomsoever he chooses. That is a matter for the Prime Minister, not the hon. Gentleman, who of course is president of the obsessive conspiracy theorists club.

Chris Grayling (Epsom and Ewell) (Con): Has Lord Birt been using the office provided for him by the Government to hold business meetings with clients of McKinsey and Co.?

Mr. Hutton: No. The hon. Gentleman asked about Lord Birt's office, which is at No. 10. Very recently, Lord Birt's ceiling fell in at his office at No. 10, which will probably help him in his blue-skies thinking.

National School of Government

24. **Nia Griffith** (Llanelli) (Lab): If he will make a statement on the launch of the national school of government for the civil service. [7320]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): The national school of government was launched last week. As the latest component of the programme of civil service reform, it will support the priorities of the Government, increase professionalism and improve delivery and efficiency.

Nia Griffith: Many of my constituents work as civil servants or use their services. Can my hon. Friend assure the House that the national school of government will provide high-quality professional training for civil servants and help deliver better services for the users?

Mr. Murphy: My hon. Friend is rightly proud, as we all are, of the ethos of public service and the dedication of so many of our public servants throughout the country. The national school of government can be the best of its type in the world and can help deliver the reform of public services that she and I share a desire to introduce.

Public Appointments

26. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What steps he is taking to increase openness in the public appointments he makes. [7322]

The Parliamentary Under-Secretary of State for the Cabinet Office (Mr. Jim Murphy): Steps to ensure openness include open advertising of all vacancies on the public appointments website. Feedback data from the website show a wide cross-section of people expressing an interest in public appointments.

Mr. Bellingham: Is the Minister aware that two recent reports show that a substantial number of public appointments have been skewed towards Labour party members? Will he publish a list of all appointments that were based on the membership of any party?

Mr. Murphy: I am sure that all hon. Members accept that it is important to listen to the opinions of people from all political parties. Cabinet Office public appointments are made in accordance with the Commissioner for Public Appointments code of practice, which provides a clear guide to the steps required to ensure a fair, open and transparent appointments process.

Orders of the Day

Identity Cards Bill

[Relevant documents: The Fourth Report from the Home Affairs Committee, Session 2003–04, HC 130–I on Identity Cards, and the Government's reply thereto.]

Order for Second Reading read.

Mr. Speaker: I have selected the amendment in the names of the hon. Member for Birmingham, Selly Oak (Lynne Jones) and her colleagues.

3.31 pm

The Secretary of State for the Home Department (Mr. Charles Clarke): I beg to move, That the Bill be now read a Second time.

I remind hon. Members that this Bill is based on the Bill that was read a Second time on 21 December 2004 and approved by this House on 10 February 2005, that the public debate started under my predecessor in 2002 and that the draft Bill was subject to six months' public consultation and pre-legislative scrutiny by the Home Affairs Committee in 2004. The Bill has been well debated.

The Bill is enabling legislation to provide the statutory authority for a national identity cards system to be introduced to cover the whole of the United Kingdom, together with the national identity register to record information on holders of ID cards. It also gives legislative authority for expenditure on setting up the ID cards scheme and for charging fees.

In brief, the Bill establishes the national identity register; provides powers to issue biometric ID cards either linked to existing designated documents or as stand-alone ID cards; ensures that checks can be made against databases to confirm an applicant's identity and guard against fraud; sets out what information will be held—including biometrics—and what safeguards will be put in place; enables public and private sector organisations to verify a person's identity, with their consent; includes enabling powers, so that, in future, access to specified public services could be linked to the production of a valid card; provides a power for it to become compulsory at a future date to register and to be issued with a card, which includes civil penalties against failure to register; creates a national identity scheme commissioner to have oversight of the whole scheme; and creates new criminal offences on the possession of false ID cards.

There has been general support for ID cards, but many serious, practical concerns have been expressed on both sides of the House, and I intend to address five of those concerns on Second Reading. First, I shall address the range of concerns around the Big Brother society—it has been described in other ways. Secondly, I shall address issues of cost, which are a serious concern for many hon. Members on both sides of the House. Thirdly, I shall set out the benefits of the scheme for both individuals and society. Fourthly, I shall address the concerns about the project's size, technology and scale. Fifthly, I shall deal with safeguards and legal processes. I shall give way at various points in my speech in line with that structure.

Mr. William Cash (Stone) (Con): Does the Home Secretary agree with the Information Commissioner's remarks that the

"data trail of identity checks on individuals risk an unnecessary and disproportionate intrusion into individuals' privacy"?

Such identity checks are in fact and in law an intrusion into people's human rights. How can he sign off the Bill as being compatible with the European convention on human rights?

Mr. Clarke: I do not agree with the Information Commissioner, and I shall begin my remarks by explaining exactly why.

We live in a society where information is held about all of us—everyone in this House and everyone in this country—on a scale unfamiliar to our predecessors even as recently as 10 years ago. A vast range of information exists in our society today, including information on the internet that one can access simply by typing in a name, financial and bank details, health and medical information, police and law enforcement-related material, travel-related documentation and information about a person's telephone communications, driving licence, national insurance and tax. That range of information cannot be uninvented, nor can the globalised world in which crime is international but impacts on every community. Those are the realities with which we have to live.

We must address only two questions in considering how we deal with this so-called Big Brother society. First, in relation to each category of information that I have just set out, what protections currently exist for authorities to access data, for the right to see data, and for the right to use a service, whether it is a cash machine or a passport? In each of those areas there is a specific legal framework that regulates the information that exists about all of us. The first point that I want to make very strongly indeed is that nothing in the Bill changes any of those protections for any of those categories of data. There are issues about each of those categories of data that people can legitimately discuss and consider, but this Bill is not about those questions.

The second question is, can we verify that the information that exists about an individual is indeed about that individual? That is where identity cards come in and where the Bill is relevant. We need to protect our society in this globalised world, for the simple reason that, in many cases, identity can be stolen, whether it is a fraudster getting money from a bank account, a people trafficker providing false documents for a trafficked person, or a smuggler pretending to be their own father to deal with data. Such identity can be stolen. In other cases, complicated processes are now needed to check identity because it is not secure—there are examples as simple as opening a bank account, getting a pass from the Criminal Records Bureau or getting a passport or driving licence.

Mr. Mike Weir (Angus) (SNP) *rose—*

Mr. Clarke: I will give way shortly.

I argue that the identity card has real benefits to the individual and society, and that it is a means of limiting abuse in our modern information society rather than a

[Mr. Clarke]

means of adding to it and creating it in a more complex way. It gives individuals the right to secure verification of their identity.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con) *rose—*

Mr. Clarke: I shall come to some particulars, but before I do so I shall take a couple of interventions.

Mr. Gibb: Given that the identity card database will have details of everyone's fingerprints and other biometric information, what assurances can the Secretary of State give that that database will not be used routinely by the police in their normal investigation processes so that, for example, a fingerprint left on a pen in a bank will not lead to innocent people being questioned and having to explain their whereabouts on the day that that bank was robbed?

Mr. Clarke: I can give the assurance that the law of the land requires that the police can operate only in accordance with the legal powers that they have at the moment. That is a very important requirement. It is right that police and security services should have powers as regards national security or serious and organised crime—whatever the issue might be. The House has agreed that it is right that they should have powers in those circumstances so that we can protect ourselves, but—I emphasise the point that I made earlier—those rights are already set out in existing law and are not changed by this legislation.

Mr. Andrew Love (Edmonton) (Lab/Co-op): My understanding is that up to 51 separate categories of information will be required for the register. That seems excessive to many people. Can my right hon. Friend justify the inclusion of so many pieces of information?

Mr. Clarke: As my hon. Friend knows, the list is set out in the schedule to the Bill. I am happy, in Committee or elsewhere, to go through each of those categories and consider whether particular aspects are indeed necessary. That is a perfectly reasonable issue to address, but we need to be clear that the basic data on the database are about the identity of the citizen, including basic material about that person, and that is what the list of categories is about. I concede that, if there are areas where we could have less information, I will consider that in Committee.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Home Secretary has referred twice to national security and the protection of society, which appear in the Bill. If it is passed today, the system will not be on stream for 10 years. What on earth will become of us in those 10 years?

Mr. Clarke: We fight all the time on all the issues that we have to tackle, including serious and organised crime and national security, to do our best to deal with the threats that our society faces. I observed that we live in an internationalised, globalised world. In all the matters for which I am responsible—serious and organised crime, immigration and asylum and counter-terrorism—we need to work internationally. We should improve our capacity to do that and that is part of the purpose of the Bill. However, it is not its whole purpose.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Will the Home Secretary give hon. Members two pieces of information? First, what, according to his experts, is the likely number of identity checks in any day or week? Secondly, what is the highest percentage accuracy that he can expect of the scheme?

Mr. Clarke: I shall deal with the second question later. The number of checks depends entirely on the extent to which and the purposes for which individuals use the identity card. If the question is about police identity checks, the number will be about the same as it is now. The police check identity in their work now.

Mr. Jim Cunningham (Coventry, South) (Lab): Will my right hon. Friend confirm now or later that he would have to return to the House with further legislation to make the scheme compulsory?

Mr. Clarke: A further measure would have to be introduced in both the House and the other place. An affirmative resolution would need to be passed in both Houses.

Several hon. Members *rose—*

Mr. Clarke: I shall make some progress and then give way.

In the information society in which we live, identity cards will be a means of helping to control it rather than adding to it. I want to give full particulars, dealing with personal protection, access to private companies, the role of the police and the position of ethnic minorities. All those points have been raised with me.

I shall deal first with personal protection. I want to make it explicitly clear that, under the Data Protection Act 1998, everyone has the right, without qualification, to check the record that is held on them. Moreover, the same right to check who has accessed the database that currently exists in data protection legislation will apply to the identity database in the Bill. I know that many of my hon. Friends in particular have been worried about those aspects. I therefore take the opportunity not only to set that out clearly and openly but to state that, in Committee, I am prepared to consider amendments that might make it more explicit.

I acknowledge that people have concerns because the matter involves the Data Protection Act and they are worried about what might be perceived as a potentially secretive database. I am keen to draw that out.

Mr. Robert Marshall-Andrews (Medway) (Lab): One cannot obtain data under the Data Protection Act if the information refers to security or criminal matters. Under the Bill, the Home Secretary has the power to include, through secondary legislation, issues that relate to security and criminal matters. By definition, they would not be accessible under the Data Protection Act, yet they are the most important matters. Will the Home Secretary give his mind to that and let us know the answer?

Mr. Clarke: I shall, but I want to reassert the point that I made a second ago. Protections under the Bill for

the database for which it provides are the same as those for other databases under the Data Protection Act. As my hon. and learned Friend says, the Bill has implications for the way in which the police and security services operate, as does the Data Protection Act. However, there is no division between our proposals for the Bill and existing provisions under data protection legislation.

Mark Fisher (Stoke-on-Trent, Central) (Lab): If someone examines the data held on them and finds that they are inaccurate, what procedures exist for a fast-track tribunal system to correct that? Nothing can be more damaging for an individual than finding that there is information on the databases that can destroy one's credit rating, business and one's life. Will the Home Secretary ensure that the Government table amendments in Committee to establish a quick tribunal system to correct incorrect information?

Mr. Clarke: I can certainly give my hon. Friend the assurance that he seeks. The obligation to make the information correct—to which his central point relates—is accepted, and we can include in the Bill a procedure to ensure that that is clear. I do not think that a tribunal case would be involved, because there is no interest whatsoever in putting inaccurate data on the database. If he feels that some aspects require an appellate structure, I will give thought to that, but it is in no one's interest for wrong data to be on the database. If a mistake of some kind is made—which can of course happen, as he implied—it is important to correct it, in the interests of everyone including, as he suggested, the individual, but also the system.

Sir Patrick Cormack (South Staffordshire) (Con): Given that, even for the Home Secretary, this is the beginning of a new Parliament, and given all his undertakings to provide for detailed consideration in Committee, why is the Committee timetable so congested? It requires the Bill to be out of Committee three weeks from today. Why can he not further consider my suggestion on the last Second Reading that the Bill—complex as it is, and affecting every man, woman and child in the country—should be referred to a Joint Select Committee of the Lords and the Commons for the most critical and detailed scrutiny?

Mr. Clarke: I welcome the hon. Gentleman's maiden intervention, if that is the right way to describe it.

I understand, although I am open to correction, that the Committee timetable was agreed through the usual channels. If that is not the case, we can certainly discuss it again. As I said earlier, there has been substantial debate on these matters in both Houses over a considerable period. That includes pre-legislative scrutiny going back to 2002. I believe that the procedures now being followed are correct.

Mr. Edward Garnier (Harborough) (Con): Yes. May I return the Home Secretary to the Data Protection Act? The Government propose that the citizen will have to pay a large fee for the identity card. If the regime laid down by the Act is followed, he will have to pay another fee to gain access to the register to see whether the information about him is correct. Will the Home Secretary assure us that he will not charge a fee to people using the system for that purpose?

Mr. Clarke: I will give assurances on charging in a moment.

Various questions have been asked about whether private companies would be able to buy information from the national database. Let me make the position clear. There will be no open access to information on the register. Private companies will not be able to gain access to or buy national identity register entries. With the consent of the identity card holder—I emphasise that—banks or other approved businesses will be able to verify identity by checking an ID card against the national identity register. That would mainly involve confirming that the card is valid and has not been reported lost or stolen, and that the information shown on it is correct.

The card holder's biometric details may also—with the card holder's consent—be confirmed against those held on the register. Clause 14, however, specifically prevents fingerprints or other biometric information from being conveyed from the register to a private sector organisation, even with the consent of the individual concerned. It also does not allow administrative information not related to confirmation of identity to be given to a private sector organisation—again, even with the card holder's consent.

Mr. Weir: I am concerned about that point. We have heard that private sector companies will have access to the database to check information. If the identity card is a gold-plated proof of identity, why should those companies need access to the database behind it?

Mr. Clarke: I am sorry if I was not clear enough, but I just said as clearly as I could that private sector companies would not have access to the database. I also said that, with the consent of the card holder, banks or other approved businesses would be able to verify identity. That is all they would be able to do. It is not the same thing.

Mr. John Redwood (Wokingham) (Con): Clause 15 says that the Government can demand the production of an ID card for purposes connected with the provision of a public service. Which public services have the Government in mind, and how many abuses does the Home Secretary think are currently taking place because of false identities?

Mr. Clarke: The Bill states clearly that the ID card cannot be used as the sole means of verification of identity for the provision of any public service. It sets out a procedure whereby a public service provider—a local authority, a library, or whatever—can join the system if it wishes to do so, as it has the right to do. Linked to the point that I have just made, that can be done only with the consent of the individual identity card holder. I think that that is a perfectly reasonable system to operate.

Concerns about police powers have been widely expressed, particularly in regard to stop and search. I want to make it clear that the Bill, and the introduction of identity cards, will make no difference to the general

[Mr. Clarke]

powers of the police to stop people for no reason and demand proof of identity. The Bill will make no difference to the powers that exist under the Police and Criminal Evidence Act 1984. In fact, quicker, reliable access to confirmed identification would help to reduce the time a suspected person might spend in police custody. The effect of that would be to reduce the number of people wrongly held in police custody while their identity was being checked, which would be of benefit to the individual and to the police.

I also want to confirm that there is no requirement to carry an identity card at all times, as there have been many questions about that. In regard to the power to make regulations to require an ID card to be produced to access public services, clause 15(3) specifically prohibits any

"regulations the effect of which would be to require an individual—

. . . to carry an ID with him at all times".

I also want to address the concerns expressed by ethnic minorities. A spokesman for the Muslim Council of Britain has been reported as urging the Home Office to reassure Muslims that they would not be singled out, saying that the key point would be whether the community would be "unfairly targeted". It will not be, and I can give that assurance quite specifically, for the reason that I have just given. Similarly, a spokesman for the Commission for Racial Equality asked whether there were

"adequate safeguards in place to address the potential adverse impact on particular groups in our society".

Again, I can give that assurance. The race equality impact assessment, which was published with the Bill, sets out quite clearly how this situation will be addressed. The fact is that ethnic minority communities, like other communities, have no reason to fear the ID card system, and still less reason to fear that they will be targeted in any way.

Mr. David Winnick (Walsall, North) (Lab): If we should not be at all concerned about these proposals, following all the reassurances that my right hon. Friend is giving, why would the Information Commissioner say that the ID card would be an "unnecessary and disproportionate intrusion" into our liberty? Should not we take Mr. Thomas's comments very seriously indeed? Is it not also a fact that, if we had a free vote on the Bill tonight, it would certainly be thrown out?

Mr. Clarke: First, I cannot speak for the Information Commissioner. I do not think that he is right. He is a long-standing opponent of the identity card system. I think that his analysis is incorrect, for the reasons that I have already set out. An identity card will provide a means of dealing with the information that society issues that would not exist if we did not have those powers. On the question of a free vote, I simply observe that, when we voted on the Bill's Second Reading on 21 December 2004, the Opposition all voted in favour of it. Now, like sheep, they have moved in the other direction—*[Interruption.]* We have some good dissension going on here.

Mr. Boris Johnson (Henley) (Con): The Home Secretary obviously intends to make these things compulsory, and he has already talked about the penalties for refusing to register. Will he now let the British people know exactly what penalties they might face, in fines or imprisonment, for refusing to have anything to do with the scheme?

Mr. Clarke: I shall cover the cost aspect in a second. Were there to be compulsion—that is, after a vote had been taken in this House and in another place, some considerable time down the line—the penalties for non-registration are set out in the legislation.

Mark Prichard (The Wrekin) (Con.): Will the Secretary of State tell the House how he believes ID cards protected the people of New York on 11 September 2001? The Government talk about national security, but ID cards clearly did not help in those circumstances, or subsequently in Madrid.

Mr. Clarke: I will come to that matter in a second.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): On the impact of ID cards—which must necessarily become compulsory in due course—on black and minority ethnic communities, the whole House accepts that the Bill does not extend the powers of the police. But it does extend the pretexts on which the police might stop people. All of us who live and work in our inner cities know what that could mean. The Home Secretary should take seriously the concerns of the Commission for Racial Equality and the Muslim Council of Britain, because the last thing that we need is legislation that will further turn the screw on community relations in our big towns.

Mr. Clarke: I do take seriously the concerns of various organisations representing minority ethnic communities, and those of my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), with whom we have also discussed this point in the past. I do not accept her argument that the Bill offers a pretext for police to behave differently from how they do now. The powers are there right now for the police to act in the way that they do. The ID card does not change that regime.

Mr. Mark Oaten (Winchester) (LD): The Home Secretary has just said that ethnic minorities have nothing to fear from this measure. Why, then, does the Government's own regulatory impact assessment state:

"There are also cultural problems about getting service providers to ask only certain groups for proof of identity for fear of being accused of discrimination"?

Is not that proof that there is a danger for ethnic minorities?

Mr. Clarke: Not at all. The introduction process that we have discussed links ID cards to the passport, possibly to the driving licence, and possibly to the Criminal Records Bureau. Those are all ways of introducing the card that are not linked to specific ethnic minority groups in any way. What the regulatory impact assessment means is that some people might have concerns about those matters, which is why I have sought to address that specifically in the House.

Dr. Nick Palmer (Broxtowe) (Lab): Will my right hon. Friend give way?

Mr. Clarke: Not at this stage. I will do so later.

I argue that the ID card system is in fact a bulwark against the surveillance or Big Brother society, and not a further contribution to it. *[Interruption.]* This is a serious point. People must understand the nature of the society in which we now live. Today, large quantities of information exist for all of us, throughout our society. The question is how we best regulate that and deal with identity fraud.

Several hon. Members *rose—*

Mr. Clarke: I will make some more progress at this stage.

I turn now to the second concern, which many Members across the House have raised with me: the cost of the scheme and the way in which that operates. I acknowledge that the concerns expressed by Members are genuine.

The starting point for the discussion is the biometric passport. As the House knows, the UK Government propose to introduce biometric passports to keep in line with developments in international standards through the International Civil Aviation Organisation.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Will the Home Secretary give way?

Mr. Clarke: Not at this stage.

The first phase of biometric passports, in line with ICAO standards, incorporating a facial image biometric, will be introduced during 2006.

David Howarth (Cambridge) (LD): Will the Home Secretary give way on that point?

Mr. Clarke: I will give way to a number of Members when I come to the end of this passage, as I have been doing.

In the case of Europe, facial image and fingerprint biometrics, in line with those standards, will be required in passports issued by EU states under Council Regulation 2252/2004. Facial biometrics must be introduced by August 2006, and fingerprint biometrics three years after the technical specification has been agreed. All EU member states will have to introduce the same biometrics into the EU common format residence permits and visas for nationals of non-EU states.

The United States has issued a further deadline for visa waiver programme countries to introduce facial image biometric passports from 26 October 2006. Biometric passports, or e-passports, incorporate an integrated circuit chip capable of storing the biographic information from the data page, and a digitised photograph or other biometrics. Once all those United States requirements are implemented, nationals of those countries not issuing biometric passports will require a visa to visit the United States. The current cost of a United States non-immigrant biometric visa is £100, requiring a personal visit to London or Belfast and currently taking 31 working days to make an appointment for fingerprints to be recorded, and a further three days to issue a visa.

Lynne Jones (Birmingham, Selly Oak) (Lab): Will my right hon. Friend give way?

Mr. Clarke: In a second.

The effect of moving to a biometric passport is to raise the cost of the passport to of the order of £65 on each occasion. Members in all parts of the House must acknowledge that that can be avoided only if the United Kingdom were to choose to stand aside from the international biometric development that I have described, which would, in turn, lead to costs for those of our citizens who wish to travel in any given way. So that £65 is a cost that we meet without any reference to the Identity Cards Bill now before the House. That is an important and critical point.

On top of that biometric passport cost, the biometric ID card would cost an additional £25 to £30. That is the unit cost published in the regulatory impact assessment. It is not the charge that the Government agreed—

Lynne Jones: Will my right hon. Friend give way?

Mr. Clarke: I told you that I will give way later—[HON. MEMBERS: "Ooh!"] My hon. Friend is very persistent and very effective in her arguments, if not always in her resolutions. I promise her that I will give way at the appropriate point. I rather liked the "Ooh!" from Members. I must try to acquire that effective tone.

As I have said, the £25 to £30 that I have described is the unit cost published in the regulatory impact assessment, but I emphasise that that is not the charge that the Government have agreed. The actual charge will be determined by the Government at the time of introduction, depending on the business plan for the card's introduction. It will include, first, the cost of producing the card following the tender process; secondly, it will include the income in respect of driving licences or the Criminal Records Bureau, for example, which we could use to deal with the costs associated with the card; thirdly, it will include the possibility of cheaper cards for poorer citizens, which many of my colleagues have argued is a necessary development; fourthly, there is the possibility of a maximum charge for the card, so that it is capped at a particular level.

Several hon. Members *rose—*

Mr. Clarke: I will give way in a moment, but at a time of my choosing.

I intend to provide more detail on the Government's intentions before the Bill leaves this House, but as a result of that clarity, many of the concerns that people have about the cost will lessen. I want to emphasise one other point before I give way. The Bill already makes it clear, in clause 37, that once the legislation is enacted, Parliament has to approve the fees and charges for ID cards. That is done by way of the negative resolution, but I am prepared to consider changes in Committee, such as making the initial charges subject to the affirmative, rather than the negative, procedure, if that will give the House some confidence that the charging regime is being established in accordance with people's wishes.

Several hon. Members *rose—*

Mr. Clarke: Of course, the Government are entirely of the view that it would be ridiculous to have an expensive card that people were in some sense forced to buy. But

[Mr. Clarke]

that is not what we will have. I give way first to my hon. Friend—my admired friend—the Member for Birmingham, Selly Oak (Lynne Jones).

Lynne Jones: I thank my right hon. Friend for his kind remarks and for giving way. What is the status of the proposed EU-wide passport with fingerprint biometrics that he mentioned earlier? Is it just a proposal or a definite agreement? Will he also address the question, raised by the Opposition, of the cost of accessing the data held on an individual, and will he say how long it would take to get that information and to make any changes to it, should the individual in question identify an error?

Mr. Clarke: On my hon. Friend's second point, I have already made it clear—I hope that she accepts that this really is the case—that individual companies and private-sector organisations simply cannot buy the database. On her first point, as far as the United States is concerned, it will do what it does irrespective of anything else. On the European Union, the regulation to which I referred is binding on the Schengen countries, although not necessarily on us. However, it is expected that all EU member states will have to introduce the same biometrics into the EU common format residence permits, and into visas for nationals of non-EU states.

I should point out to my hon. Friend and to others who are concerned about this issue that in the view of all observers, there is absolutely no doubt that the development of biometric travel documents in the ways that I have described is the future. Given that environment, we would seriously disadvantage the citizens of this country if we did not go down the biometric route.

Rev. Ian Paisley (North Antrim) (DUP): I thank the right hon. Gentleman for the letter that he sent to our party on this issue, which we have found helpful. But will he confirm to this House that none of the data that we are discussing can be dispensed outside this United Kingdom? The Taoiseach has made it clear that the Irish Government are going to go for this and reference has been made to some form of cross-border arrangement. That would be very serious indeed, when the members of the security forces and others walk with the threat of the IRA on them. They would not need to gather news about threats; they would get it if Government data were available. I would like an assurance on that from the Home Secretary.

Mr. Clarke: I am happy to give that assurance. As I said in a letter to the hon. Gentleman's colleague, the Identity Cards Bill does not allow information to be provided from the national identity register to any foreign Government. That is the position—full stop. That is the state of affairs that applies, so I can give the firm assurance that the hon. Gentleman seeks.

David Davis (Haltemprice and Howden) (Con): In that case, can the Home Secretary explain to the House how the common travel arrangements will work without any exchange of data between the two Governments?

Mr. Clarke: I can certainly explain that I have had informal discussions with Ministers of the Irish Government on this matter. The right hon. Gentleman is right that issues need to be discussed to achieve it. *[Interruption.]* I hear the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) shouting, "Why have we not done it already?" from a sedentary position. It is for this House and this country to decide how to proceed with the Bill, but how developments would take place in respect of the joint travel area is a matter not only for us, but for the Irish Government. The hon. Member for North Antrim (Rev. Ian Paisley) asked for assurances, which I have given him, because it is certainly the case that we would not release data from our databases to the Irish Government. That is the case—pure and simple.

Andrew Mackinlay (Thurrock) (Lab): May I take the Home Secretary to the day on which the scheme becomes compulsory? People from the United States, France and Mongolia will possess passports and related documents that entitle them to be in the UK, whereas my right hon. Friend and I will have identity cards. However, people who commute from Donegal to Derry or Doncaster, or from Dublin or Cork to London each week for working Monday to Friday will not possess and cannot be required to possess the identity card. Justice Minister McDowell may be pursuing biometrics for the European passport, but I am told that there is no way on God's earth that the Irish Republic Parliament will introduce compulsory identity card systems—not now and not in a decade. How, then, will it work?

Mr. Clarke: My hon. Friend, with all due respect, misunderstands my point. The joint travel area system works now in a variety of different ways to ensure that the data are used in a proper way. The establishment in the UK of an identity card, which is an important element in the whole process, will help that system work even better. Full stop. That is all that needs to be said about it.

Martin Salter (Reading, West) (Lab): May I press the Home Secretary a little further on the issue of capping the charge? One of the reasons why public support for the principle of identity cards appears to have slipped is that so much misinformation has been put into the public domain over the likely costs. Will my right hon. Friend give us an assurance that the public will not be expected to pay more than £28 or £30 at today's prices when the ID cards are introduced?

Mr. Clarke: I agree with my hon. Friend that some of the fantastic figures circulating around in the media have given rise to the concern that he expressed. I am prepared to say that it is right to give an assurance about the cap, but I am not prepared to say at this stage precisely what the cap will be. Before the Bill leaves the House, however, I will give such an assurance.

Rob Marris (Wolverhampton, South-West) (Lab): I am grateful to my right hon. Friend for his customary generosity, but I would like to probe him further on the cost. He says that the cost of a biometric passport will be about £65 and the cost of an identity card between £25 and £30, which comes to about £95 top whack. May I make the Home Secretary an offer? My passport expires in December 2011. If I write him a cheque for

£100 now, will he agree that if the cost is more than £100 at that time, he will meet the extra? If it is below, he can either keep the extra, courtesy of myself, or give it to charity. Will he make that deal?

Mr. Clarke: I am always interested in side deals with my hon. Friend, who is a talented and skilled financial operator. I will look into seeing whether a side deal is possible, but I am not going to arrange one on the Floor of the House this afternoon.

Dr. Tony Wright (Cannock Chase) (Lab): Surely the issue of cost changes if we move to compulsion. Having a card would then cease to be a matter of convenience and become a matter of necessity. Although a state may decide properly that it wants its citizens to have an identity card, it should not then also require them to pay for it.

Mr. Clarke: That is an entirely reasonable point and would be taken into consideration when the House came to consider proposals for compulsion. My view—for what it is worth, although I give no assurances—is that the charge would be significantly less than the amounts that have been mentioned, but I agree that at the point when a decision has to be made about compulsion, the question of charging would be a legitimate aspect for discussion.

Mr. Neil Gerrard (Walthamstow) (Lab): The cost of course depends on the model that is adopted. We have heard much about international requirements for biometric passports. I do not have a particular problem with having a passport with a biometric element: the problem is the database that lies behind it. What international requirements are there that would lead to the construction of the sort of database that is proposed in this country? I am totally unaware of any such requirements.

Mr. Clarke: There are none. I do not make the argument for the identity card process that we propose on the basis of an international requirement that we should do it. The argument that I was making about the international environment was about biometric passports. I argued that in the context of the cost factor, because many people have confused the cost of an identity card with the cost of a biometric passport plus an identity card. There is no international requirement or, indeed, suggestion that we should move towards an ID card system as a result of some international process elsewhere. However, it is important to be aware as we take our decisions in this country of the international trends in crime and other matters, and how best we can deal with those.

John Bercow (Buckingham) (Con): Many Opposition Members voted against the Second Reading of the previous Bill as a matter of principle and will do so again tonight. However, given that cost is a highly sensitive issue, will the Home Secretary give a categorical assurance to the House that full consideration will first be given to using the post office and Jobcentre Plus networks for the enrolment of citizens before seeking to secure substantial new premises that would inevitably greatly add to the cost of the scheme?

Mr. Clarke: I can give the hon. Gentleman the assurance that precisely that idea is under consideration.

Alison Seabeck (Plymouth, Devonport) (Lab): We have heard much this afternoon about the cost of the passport to individuals, but there will be a broader cost. I would welcome my right hon. Friend's comments on the precise impact on the wider economy of identity fraud. Some 3 to 5 per cent. of all fraud involves identity fraud and we all have constituents who have suffered the misery of that crime. How much does it cost our economy?

Mr. Clarke: My hon. Friend is right to say that identity fraud is a big issue, but I will deal with that in the next passage of my speech, if she does not mind—

Several hon. Members *rose*—

Mr. Clarke: I shall give way twice more.

Helen Jones (Warrington, North) (Lab): One can envisage a situation in which, even when identity cards are not compulsory, poor people become more and more disadvantaged—as they become more widely used—when opening bank accounts and accessing services. What steps will my right hon. Friend take to ensure that our poorer citizens are protected from that possibility and are able to access ID cards, if they wish to do so, in a way that is affordable and not too complex?

Mr. Clarke: My hon. Friend is entirely correct and that is why I made specific reference to that point earlier in my speech, when I addressed the business planning for the introduction of the card. I referred to the need to be sure that the charge, when finally set, takes account of the circumstances of less well-off citizens. My hon. Friend is right to raise that point and many other colleagues have also raised it. The assurance that I give is that when we come to look at the precise business plan for a charging regime, the particular point that she has made will be taken fully into account.

Mr. Quentin Davies (Grantham and Stamford) (Con): As usual, the Home Secretary is generous in giving way and we appreciate that.

May I take the right hon. Gentleman back to the issue of the common travel area with the Republic of Ireland? He was not as explicit about that as he might have been If the House votes for the Bill, is not it the case that we are heading towards a scenario in which, in 10 years' time or so, there will be three categories of people in the UK? First, citizens of the UK will have to have the identity card. Secondly, people from outside the UK and the Republic of Ireland will have to have a passport to be in the country legally and in practice at that time it may in cases be a biometric passport. Thirdly, citizens of the Republic of Ireland will be able to enter Northern Ireland or the rest of the United Kingdom, live there and do whatever they like with no document at all. Is not that a major hole in the intended comprehensiveness of the Home Secretary's system, and is not it an anomaly and an unfairness that will be difficult for the British people to accept?

Mr. Clarke: I do not think that it is a major hole. There is no doubt that the Irish Government, the Dail, will look at the issues and decide what they want to do, but it is not necessary for us to say in the House that we shall require Irish citizens coming to the UK to have the same ID card as us. That would not be an appropriate course for us to follow. Equally, as was pointed out

[Mr. Clarke]

earlier, we have no obligation whatever to give any data held under our system to any foreign Government. The hon. Gentleman is entitled to say that we should work towards a situation where the joint travel area evolves well in a good working relationship. I agree, and that is what we shall do.

Several hon. Members *rose—*

Mr. Clarke: I will give way again later, but I want to make some progress.

The next stage of my argument relates to the benefits that the ID card will bring, because I do not think that they have yet been clearly set out. First, I shall set out the benefits to every individual who has a card. That builds on the point made about access to services by my hon. Friend the Member for Warrington, North (Helen Jones). It will be a benefit to the individual to be able to make clear their identity in financial transactions—for example, opening bank accounts and in a wide range of other transactions—without having to produce a series of proxy documentation. In terms of obtaining public documents, I have already mentioned driving licences, passports and Criminal Records Bureau certificates. There is no doubt in my mind that the card will help individuals who need and want those documents.

For the reasons that I set out earlier, to have a card will be of major benefit in terms of international travel, whether for travel to the United States without a visa or more widely elsewhere in the world. Proof of identity in relation to law enforcement is also a benefit to the individual. Access to public services, as decided by those service providers, whether a library or any other form of public service, is another example of such a benefit.

My hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) raised the issue of identity fraud. She is entirely correct. In 2004, an average of 50,000 people in the UK were victims of impersonation fraud. On average, it takes each victim 60 hours to resolve their case and clear their name. ID cards will make it more difficult to perpetrate identity theft and the high-quality verification service will reduce the time that it takes to deal with the damage. The British Bankers Association has stated that general banking losses due to identity fraud amount to £50 million. Those are substantial issues and show that the card will be of benefit to the individual.

The benefits to society include more effective crime fighting in a wide variety of ways; reducing serious and organised crime, people trafficking, money laundering and drug dealing; and reducing illegal migration and benefit fraud. Some hon. Members have been sceptical about the benefits of the card in dealing with terrorism, but I shall consider as an illustration the widely aired suggestion that ID cards did not stop the terrorist bombings in Madrid.

In fact, ID cards helped the Spanish police to identify who was responsible for the Madrid bombings, because in order to buy a mobile phone in Spain a person has to verify their identity with an ID card. According to the Spanish police, ID cards were a key element in tracking down the bombers. The cards also helped to identify the victims of the bombing so that their families could be informed.

Of course, Spanish ID cards do not contain the biometrics that we are discussing, so they can be forged more easily than the kind of card that we are describing. Our ID cards will be more successful. It is no coincidence—

Several hon. Members *rose—*

Mr. Clarke: I will give way in a second, but I want to make my argument in my own way.

Jean-Louis Bruguière, France's top counter-terrorism investigator—it was reported in *The Times* on 1 June—claimed that identity cards would help Britain to protect itself from terrorist attacks. The head of Interpol said that in cases of terrorism multiple identities have been used by terrorists. The quantification of the benefits depends on the assumptions that we make and the programme that is established, but they are of the order of at least £0.5 billion a year. It depends on how fast the various benefits come on stream—the Criminal Records Bureau benefits and so on—but in sum, the benefits of this ID card system, first to every individual who has one, and secondly to the society, are real and substantial.

Glenda Jackson (Hampstead and Highgate) (Lab): My right hon. Friend has referred to banks and to libraries, and he has referred to the ability of an ID card to prevent acts of international terror, but he has failed to tell the House how. Must every library have a machine that can ensure that the ID card that is presented is accurate? How are these cards to be verified in every single aspect of national life, from banks to libraries, to police stations, to accident and emergency, to hospitals, to doctors' surgeries, and who is going to pay for the machines that can read them?

Mr. Clarke: In each case, it will be a matter for the authority providing a public service to consider whether it is in its interests to have an ID card system. For example, if Camden council decides that it is beneficial to Camden council to have a different form of ID check in its libraries from the system that currently exists to ensure that people do not steal books, it will decide to put in the readers that are necessary. We are not requiring the authorities to do it; no one says that they have to do it. They will make a decision. *[Interruption.]* I hear a sedentary intervention saying that we are requiring people to carry cards. That is simply untrue, as I have said before, and that is precisely the point about this whole approach. My point, and it is a very serious point when we look at the benefits, is that each organisation will make its own assessment as to whether there is a benefit in having an ID card system.

Steve McCabe (Birmingham, Hall Green) (Lab): I am very grateful to the Home Secretary for giving way. When the Leader of the Opposition told *The Daily Telegraph* last December that he had taken advice from senior police officers and security chiefs regarding the security of British citizens and that he could not disregard that, was he right then, or is he right now to ask my right hon. Friend to disregard it?

Mr. Clarke: To be quite candid, I decided not to go into this type of partisan political point, first because it is obviously alien to my character and is not the kind of thing

that I would want to do, and secondly because it would be unfair. The hon. Member for Buckingham (John Bercow) made the point earlier that he voted against his party in December 2004 and intends to continue doing so. The right hon. Member for Haltemprice and Howden (David Davis) has reversed his position.

John Bercow: The party is on side now.

Mr. Clarke: From a sedentary position, the hon. Gentleman makes the position quite clear—and the embarrassed smiles of Opposition Members also make it quite clear—when he says, accurately, that the party is on side now. The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) has to explain his stewardship of the party over that period, and that really is a matter for him. I will not give in to the temptation that my hon. Friend the Member for Birmingham, Hall Green (Steve McCabe) has offered me by suggesting that I deal with the matter in a particular way.

Damian Green (Ashford) (Con): May I bring the Home Secretary back to the benefits to the citizens of this country, particularly some of the most vulnerable? The Disability Rights Commission has said that the Government's own research

"shows that 62,000 disabled people will not be able to register their biometrics in any way",

and

"many hundreds of thousands of disabled people"

are

"likely to experience significant barriers to enrolment".

If libraries and other public services are going to depend on access to the identity card system, some of the most vulnerable disabled people in society will be among those who will be denied the alleged benefits.

Mr. Clarke: There are two points to make in response to that. First, the organisations concerned will decide whether they want to follow that course. Forms of identity can be used other than the ID card if that is more appropriate, but they will decide. Secondly, all of this has to be compliant with the current disability legislation; that is self-evident and that is how it stands.

Geraldine Smith (Morecambe and Lunesdale) (Lab): On people trafficking, international terrorism and illegal immigration, if identity cards are so helpful and so essential, why is this scheme voluntary?

Mr. Clarke: We hope to make it compulsory over time; we have set that out very clearly in the Bill. We have not waved a magic wand and made it compulsory now because the process of issuing ID cards for the whole population takes a good deal of time. But if you look, Mr. Speaker, at the great tragedies of which my hon. Friend has extensive experience—that is obvious from the way that she is talking about some of the people-trafficking issues—or other events that are equally shocking, such as the tragedy of the people who died in the container going across the channel—

Geraldine Smith *rose*—

Mr. Clarke: I will give way in a second.

If we look at the issues of people trafficking, there is absolutely no doubt: if we talk to those in any police organisation in the world, they will say that identity fraud, first, by the gangs who run such trafficking and, secondly, by the people who are being trafficked is a central weapon of their crime, and we should do everything that we can to stop that happening. My hon. Friend—I will give way to her again in a moment—effectively says "Do it faster!", and she has a powerful message. We can talk about doing it faster, but let us not draw the conclusion that we should not do it at all. Let us do better and make such things happen more quickly, rather than more slowly.

Geraldine Smith: I would also say, "Do not charge people from general taxation". On the Morecambe bay tragedy to which my right hon. Friend refers, is he aware that those Chinese illegal immigrants held permits to work and had false national insurance numbers? What would stop such people having false ID cards?

Mr. Clarke: That was a terribly tragic situation, but I am afraid that my hon. Friend makes the case that I am seeking to make. The falseness that she describes—to be honest, it arises with a number of the documents of people working in this country illegally—is possible because we do not have a substantial biometric element in the identification cards that exist. The biometric element will make a material difference to people's ability to forge those documents.

Several hon. Members *rose*—

Mr. Clarke: This is so exciting. I will give way to the Chairman of the Public Accounts Committee.

Mr. Edward Leigh (Gainsborough) (Con): The Home Secretary knows that the Home Office has a long record of difficulties with major IT projects. He well knows that evidence was given to the Home Affairs Committee by the United Kingdom Computer Research Committee, which said:

"we have deep scepticism about the Home Office's ability to specify, procure, implement a national, software intensive system on the scale that would be necessary."

Can the Home Secretary reassure the House that, in years to come, the permanent secretary of his Department will not appear before the Public Accounts Committee to defend himself against charges of massive cost overruns and massive increases in bureaucracy and difficulties with IT?

Mr. Clarke: I can tell the House that the permanent secretaries of the Departments that I have been involved with always enjoyed coming to the hon. Gentleman's Committee to explain the situation, but I will come to the specific point in a moment.

Several hon. Members *rose*—

Mr. Clarke: I shall give way one more time, before making more progress.

Mark Fisher: On the necessity of carrying a card, will the Home Secretary clarify two points? First, he cited the Spanish experience and said that the Spanish only

[Mark Fisher]

managed to get those people because having an ID card is a requirement to get a mobile phone in Spain. Is he saying that that would be the situation in this country and that people who want a mobile phone must have an ID card? Secondly, he told the House that a card will not be necessary to gain access to public services, but clause 15(1) says precisely the opposite: someone who provides public services may make it a requirement to see an ID card. Is it his intention to delete clause 15(1) in Committee?

Mr. Clarke: First, the point that I was making about Madrid is very simple. Contrary to what some people allege, ID cards have had an impact in helping to address the issues of Madrid. I am not making any proposition about mobile phones or any other service, but I am saying that the suggestion that ID cards cannot address questions such as the appalling bombing in Madrid is not correct.

On the second point, the fact is that we are saying in the legislation—again, we can discuss this in Committee if my hon. Friend has concerns about it—that organisations are entitled to use ID cards to identify people in those circumstances after they have become compulsory, but that it will also be possible for individuals to use other material if they wish to do so. Of course, the detail of that matter can be discussed in Committee if we make progress, but that is where we are.

Several hon. Members *rose—*

Mr. Clarke: I will not give way again. I am going to make progress on the point about the capacity to run major projects made by the hon. Member for Gainsborough (Mr. Leigh). There are a lot of easy jibes of the type that he made, and I want to begin by giving the example of the Passport and Records Agency—an organisation that has issued 6.1 million passports in the past year, that has 47 million records across the country and that, as is very well known, had major problems in 1997, which caused concern throughout the House.

Only this year, the Comparisat benchmark survey, run by FDS International, surveyed a wide range of organisations based on their customer satisfaction and what was going on. Number one on that list was the UK Passport Service, which was followed by Asda, eBay, Amazon, Virgin Mobile, Morrisons, Tesco, the Driver and Vehicle Licensing Agency, the Post Office, Boots and ScottishPower. I cite that example because it demonstrates that major public service projects, and even Home Office public service projects can, through investment in technology for massive schemes, beat the world—both the public and private sector—in the service that they offer to people. That is a tribute to what can be done.

I can cite other examples. The UK information technology industry is currently rolling out the introduction of chip and PIN in stores and shops throughout the country. The project involves 42 million consumers who hold more than 140 million credit and debit cards, 3 million retail staff in stores throughout the country and more than 250,000 bank branch and call centre staff. That massive project is being carried out well.

The Department for Work and Pensions payment modernisation system means that 22.5 million accounts are now paid by direct payment. The scheme was completed on time with less expenditure than was initially anticipated, and it will save more than £1 billion over the next five years. The same is true of NHS Direct. All those examples demonstrate that the public sector in general, and the Home Office in particular, has the capacity to undertake such major projects. Of course the projects must be well managed, and I could produce a list of private and public sector failures, but it is important to get a balance on the whole situation.

Lynne Jones: Will the Secretary of State give way?

Mr. Clarke: Not at this stage.

Mr. Speaker: Order. I heard the Home Secretary say that he was not going to give way. I must remind the House that many hon. Members wish to speak and that interventions will eat into their time.

Mr. Clarke: I am grateful, Mr. Speaker. I shall try to make progress and to give way only once more before I finish.

Our approach on the technology is straightforward. When the Bill has passed through Parliament, we intend to conduct trials of the technology, including small-scale tests, database tests and large-scale testing during roll-out. There has been a lot of concern about biometric identity cards, especially those using iris recognition, so I draw the House's attention to a report published earlier this week by the university of Cambridge computer laboratory. Its conclusion and recommendations indicate clearly and categorically:

"Iris recognition can be reliably used on a national basis in an Identity Cards scheme, including the capability for exhaustive iris code comparisons to detect multiple identities, if the decision policy employs a threshold criteria"—

it then sets out some technical details. These issues can thus be resolved.

Several hon. Members *rose—*

Mr. Clarke: I give way to my hon. Friend the Member for Pendle (Mr. Prentice).

Mr. Gordon Prentice (Pendle) (Lab): Why can my friend not tell us the failure rate of identifying biometrics that would be acceptable? The Minister for Immigration, Citizenship and Nationality told me today that that is still being determined through stakeholder consultation.

Mr. Clarke: The report that I cited indicates that with irises on the database,

"with reasonable acceptance thresholds, the false match rate is less than 1 in 200 billion."

If there is iris recognition, facial recognition and fingerprint recognition, it significantly reduces the possibility of errors arising.

Several hon. Members *rose—*

Mr. Clarke: I give way for a final time to the hon. Member for Cotswold (Mr. Clifton-Brown).

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): About 37 million people in this country aged over 16 would be liable to have an identity card over a period of time. There has been wide variation in the estimates of the cost of introducing the cards. The estimates range up to £5.5 billion, which would give a huge headline figure of about £140 per person. Whether that figure is accurate or not, will the Home Secretary undertake to produce a proper regulatory impact assessment of the costs that can be relied on before the House definitively makes up its mind on Third Reading?

Mr. Clarke: We have already set out a regulatory impact assessment that can be relied on, but I repeat the assurance that I gave earlier: before the Bill leaves the House, we will produce data in the form that the hon. Gentleman wants.

On all the grounds that I have set out, the ID card will protect individuals against the Big Brother state, rather than the opposite. I have talked about the costs, benefits and technical issues. I tell my hon. Friends who are considering voting for the reasoned amendment in the name of my hon. Friend the Member for Birmingham, Selly Oak that accepting the amendment would be a vote against Second Reading, which would thus defeat the Bill, so I hope that they will agree not to do that. I commend the Bill to the House.

4.34 pm

David Davis (Haltemprice and Howden) (Con): May I congratulate the Home Secretary on a bravura performance in which he defended the indefensible? His performance was marked more by good humour than by hard facts—a point that I shall come to in a moment.

I shall start with an observation. If, 10 years ago, I had gone on the radio and said that within a decade a Labour Government would try to do away with jury trials, remove habeas corpus, eliminate the presumption of innocence, introduce punishment without trial and put house arrest on the statute book, I suspect that I would have been locked up. The Government, however, have tried to do every one of those things in the past few years; each time, they have chipped away at the basic liberties that we hold dear and which previous generations fought to protect. Today, the party which promised the generation of 1945 welfare from cradle to grave is about to give this generation surveillance from cradle to grave. We will not be party to such a measure.

The Home Secretary's proposals represent a fundamental shift in the balance of power between the citizen and the state. They are not just excessive but expensive; they are not just illiberal but impractical; they are not just unnecessary but unworkable, which is why this debate is important. The House has a serious choice to make today. We can choose to let the Government take one more step down the road to what their own Information Commissioner called the "surveillance society", or we can draw a line in the sand and say that enough is enough. We choose to draw that line, and invite anyone in the House who believes in liberty and freedom to do the same.

More than 50 years ago, the British courts ruled that the wartime identity card had outlived its usefulness, saying that it turned "law-abiding subjects into lawbreakers". As a result, Winston Churchill's Government introduced measures to abolish the card, but not before the three original purposes of the card had grown into 39 different uses. That is a warning to us all about the way in which Governments of all persuasions will take a mile of one's freedom if one gives them an inch. The Home Secretary will say that 50 years later times have changed, and indeed they have.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): My right hon. Friend has drawn attention to the way in which Governments develop their proposals. Would he care to remind the House that the National Registration Act 1915 did not originally require citizens to produce a card on demand? The Act was amended in 1918 to introduce such a requirement. Does he not think that, if the Government enacted the Bill, in due course it would be amended to make the carrying and production of cards mandatory?

David Davis: My right hon. and learned Friend has anticipated my next point. I would simply add that many of the security benefits—one can argue that there are some benefits—arise only if it is compulsory to carry a card. One must presume from the Government's approach that they have that in mind for the next decade. My right hon. and learned Friend, however, has made my point for me.

Dr. Palmer: Does the right hon. Gentleman not accept that it is misleading to suggest that to verify a claim of identity the police require the card itself, as they can merely check the claim against a database? His suggestion is one of the many misleading statements that are being made about the Bill.

David Davis: No, it is not misleading. Presumably, the police will have card readers that will make the process quicker, unless the hon. Gentleman is assuming that they will work off the biometrics. We have already heard that millions of our fellow citizens cannot provide those biometrics, so there is genuine concern that the Government will end up having to make such a requirement. I do not like to say so, but there is an intrinsic dishonesty in the way in which the Bill has been presented. The possession of a card has been presented as voluntary initially, then compulsory. This has not yet been said, but eventually it will become mandatory to carry one. We cannot otherwise achieve the benefits, including the Madrid benefits rightly raised by the Home Secretary. That is a dishonest way in which to present the Bill to the House.

I return to the more general point. The system that the Home Secretary is proposing will be far more sophisticated than that of the 1940s, the 1950s or the first war years. That makes it all the more important that what he is proposing is not open to misuse. The identity card itself is just the plastic embodiment of a much greater and potentially more pernicious thing—the new national identity register. That is what the Bill is essentially about.

The register is a massive database containing detailed personal information about every person in the country—a database that can be accessed by officials and public bodies without permission and without the person whom they are looking up ever knowing that it has happened. The Home Secretary talks about people

[David Davis]

exercising their rights under the Data Protection Act 1998. Very few people will do that, and it may be an expensive process. He did not outline any actions on the costs of that process, but if he wants to intervene, I will take a comment from him.

The individuals concerned may not know about that access, but the Government will, and they will keep a record of every time the card is used. They will know where we are and what we are doing. The Government's own Information Commissioner—remember, created and appointed by the Government, not some partisan person from outside; the person whose job it is to worry about the information handled by the Government—says that is "unnecessary". He says it is

"particularly worrying and cannot be viewed in isolation from other initiatives which serve to build a detailed picture of people's lives, such as CCTV surveillance, the use of automatic number plate recognition, recording vehicle movements for law enforcement, and the proposals to introduce satellite tracking of vehicles for road use charging".

Such a vision was originally set out by a man called Blair who changed his name to Orwell and wrote a book called "1984". It was supposed to be a warning, not a textbook.

Not long ago the Prime Minister was caught saying:

"Instead of wasting hundreds of millions of pounds on compulsory ID cards . . . let that money provide thousands more police officers on the beat in our local communities."

In that quote he was attacking what he called "the Tory Right". Today it is his new Labour Government who want to spend thousands of millions of pounds forcing us to sign up to be members of our own country.

As yesterday's report from the London School of Economics found—I do not want to give the Home Secretary dyspepsia—

"With the exception of Malaysia, Singapore, Hong Kong and Cyprus, no common law country in the world has ever accepted the idea of a peacetime ID card".

The Prime Minister has always been concerned about making his mark on history. That is quite a legacy to leave.

John Smith (Vale of Glamorgan) (Lab): On the point about countries that have chosen or not chosen to introduce the identity card, does the right hon. Gentleman think it significant that after the worst terrorist atrocity in human history, the United States of America considered the matter carefully in the 9/11 commission and rejected the case for an ID card?

David Davis: The hon. Gentleman makes an extremely good point. The reason the common law countries are unique in this respect is that they are the countries that presume that the citizen is free to do anything unless there is a law against it. That is rather different from the Napoleonic law countries. If America can get by without an identity card, it is hard to see why we cannot.

I have always made it clear that before the events of 9/11 I would never have even countenanced the concept of an identity card, but since 9/11, in my present post, I accepted that we should listen to the Government's case, just as we should consider any possible device that could make our country and our people safer. Having done so, including considering what the Home Secretary said today, I conclude that the Government's identity card will be little more than an expensive waste of time and money. It is a plastic poll tax, and it is a symbol of this Government's determination to centralise and control everything at the expense of the liberties of the British people. Longstanding freedoms cannot and should not be given away cheaply; they should only be given up on the basis of compelling and exceptional need. All Opposition Members understand that principle, but the Government's record shows that they do not.

Some months ago, I set the Home Secretary five tests, some of which he referred to today. Had he met them, we might have been persuaded to give the previous Bill a fair wind before the election, but he failed to respond adequately to any of the questions. Fortunately for us, other people have come up with the answers to those questions, but unfortunately for the Home Secretary, the answers are universally unhelpful to his case.

I asked the Home Secretary precisely what the purpose of the cards would be. ID cards were originally presented as a response to the terrorist threat after 9/11, which is why I was prepared to listen in the first place. Despite the Home Secretary's comments today, the Government no longer make that case—they know that ID cards would not take effect for many, many years and that terrorists would not be deterred by them. Furthermore, the cards will not be compulsory, so they will not have any effect. Whatever the Home Secretary has said, ID cards did not deter the bombers in Madrid, and they would not have helped in New York, either. If the technology ever becomes effective, terrorists will bypass it, and I shall return to that point.

At times, ID cards have been presented as entitlement cards to tackle benefit fraud—as an aside, the cost of benefit fraud is tiny by comparison with the cost of ID cards, even if one accepts the Government's numbers, which I do not. ID cards were also supposed to tackle illegal working, but in October last year, the previous Home Secretary was back to justifying them on the ground of welfare fraud.

The Home Secretary has said:

"Identity cards will provide a simple and secure way of verifying identity, helping us to tackle illegal working, organised crime, terrorist activity, identity theft and fraudulent access to public services."—[*Official Report*, 7 February 2005; Vol. 430, c. 1183.]

However, his predecessor admitted that ID cards will not tackle terrorism; the Law Society says that ID cards will not tackle illegal working; and Liberty and the Law Society say that ID cards will not tackle crime. The purpose of ID cards remains unclear, and the Government's case has been, at best, slippery.

A recent article in *The Observer* stated:

"The Government's motives have been obscured by the ad hoc way in which claimed advantages pile up. Our trust in the state to handle our data safely is undermined by this shifting account of the purpose of ID cards".

It is now clear that ID cards will not fight terrorism, tackle crime, control immigration or stop fraud. They have no effective purpose.

Simon Hughes (North Southwark and Bermondsey) (LD): Do the right hon. Gentleman's remarks mean that it is now the Conservative party's settled opinion that

ID cards are unacceptable in this country? Will he make it clear that he is taking a position that we have held for 50 years or more and that many Labour Members have held for all their political lives? The Bill will not get through this Parliament, because it will not obtain a majority in the other place. If the Government were to force it through by some device, those in favour of liberty would repeal it before it ever came into force.

David Davis: I agree absolutely with the hon. Gentleman's last point—I will let his earlier political points go—and my party and I would not be party to such a thing.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): The Home Secretary has said that the Bill will enable us to assert our right to be here. It is an extraordinary departure from who we are as a people that all hon. Members must assert their right to be here through the Home Secretary's benighted ID cards scheme.

David Davis: We have seen window taxes and poll taxes, but this is a breathing tax. The right to citizenship of this kingdom is acquired at birth and is not at the behest of the Government.

John Bercow: A variation on the theme highlighted by my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) is the argument enunciated by the right hon. Member for Sheffield, Brightside (Mr. Blunkett) as long ago as November 2003, when he said that identity cards were about tackling alienation and asserting our sense of belonging. I have met several people in my constituency who have complained that they felt alienated from the community, others who felt alienated from the Government, and a proportion who felt alienated from both, but I have yet to meet a single one who has said, "John, I'm alienated—I have an identity crisis, and I can't assert my sense of belonging until the Home Secretary gives me my identity card."

Mr. Deputy Speaker (Sir Alan Haselhurst): Before the right hon. Gentleman replies, I remind hon. Members that interventions are getting longer and there is a very long list of speakers.

David Davis: Thank you, Mr. Deputy Speaker, for rescuing me from having to reply.

The second test is this: does the technology exist to make the system work? Again, the Home Secretary has not answered the question, but other people have. One group, which knows far more about these things than our famously technophobic Prime Minister, said:

"This will undoubtedly be a large and centralised system as currently outlined in the bill, and this type of system attracts a high risk of failure."

That was the British Computer Society, which I suspect knows rather better than others what it is talking about.

One of the most potent criticisms of the Government's plan, however, is that it will make fraud easier. This card will become a master key for fraudsters. Its intention is to give, if I can use the Home Secretary's words, "legitimacy" to someone's identity, but if that identity is fraudulent in the first place, it only makes the problem worse. One expert in this area says:

"ID cards will exacerbate the situation. The stakes are raised that much higher if the master key is cracked; it opens the door to all sorts of frauds."

It is extremely likely that this ID card system will actually make fraud easier by doing exactly that.

Kali Mountford (Colne Valley) (Lab): The right hon. Gentleman is making the case that the identity secured could be a false identity in the first place, thereby allowing for further frauds. However, what does he say about those people who continually change identity and continually try to evade justice and hide themselves by defrauding the system? Would not this system at least put a stop to that at a particular point and prevent them from continually changing their identities?

David Davis: No. In about two minutes, I will explain to the hon. Lady why that will, unfortunately, remain too easy.

Before I get to that, I want to deal with the next test, which is the question of whether the Home Office could do this. The Home Secretary showed admirable loyalty in defending his Department on that issue, but again, did not answer the question despite its being asked by the Chairman of the Public Accounts Committee. Other people, however, have answered that question.

Let us recount some of the computer projects that the Government have made a hash of. Last week, we saw that the tax credits system is in chaos because of IT problems. The Home Office itself is one of the worst-offending Departments when it comes to IT management. Remember the police national computer? One would think that that would be very accurate because it has biometric data associated with it, but an audit recently found that 65 per cent. of its files contained errors. Remember the asylum seeker processing system? With a budget of £80 million, the project was scrapped after it was found to be flawed. Remember the infamous Passport Agency project? Its delivery was delayed and it eventually came in £12.5 million over budget. Before the supposed good performance that the Home Secretary told us about, the failures led to more than 500,000 people waiting for passports in the early summer of 1999.

The important point to understand here is that one good year in six is not good enough for a computer that is fundamental to our security systems.

Mr. Hogg: And there is another point—if these cards are a prerequisite to obtaining benefit from public services, a person who cannot get a valid card cannot get their benefit.

David Davis: My right hon. and learned Friend makes an excellent point, with which I shall deal shortly.

Of all the Departments, the Home Office is the last that one would want to put in charge of such a scheme. Identity cards are not only ineffective and open to fraud but we have no faith in the Government's ability to make them work.

Mr. Oaten: Is not the position even worse, in that the Home Office's study on whether the scheme can be realised showed extraordinarily high failure rates for the biometrics?

[David Davis]

David Davis: The hon. Gentleman is right. It is interesting that the Home Office is relying on the cumulative effect of all the biometrics working, yet many thousands of people will, in one way or another, be cut out of public services or unable to be identified because 1 million or more people are excluded.

The most contentious issue is cost. In one respect, I agree with the Home Secretary. He told the BBC that there was an obligation on him

"to set out the figures in the clearest and most substantive way".

The trouble is that he has not done that. He recently admitted that the original figure of £93 per card was only an indicative unit cost. Once charges are added, the price will go up even more.

What is the cost? The Government appear to have no clue. We realised that when the Home Secretary was asked about local government expenditure on libraries and so on. However, fortunately for the Government—the Home Secretary will not agree—the London School of Economics has been able to provide an estimate. Unfortunately for the Government, it is much more than they let on. *[Interruption.]* "Think of a number, then treble it" is probably a good way of estimating Home Office cost outcomes.

The LSE states that the true cost of implementing the proposed scheme will be between £10.6 billion and £19.2 billion. That could raise the average cost of each card, without means testing, to £230 a person. That tax will fall on hard-working taxpayers and poorer pensioners on fixed incomes. It may not be much money for the Home Secretary or members of the Government, but for the poorest in our society, it is more than a month's food bill. Worse, councils will have to find a further £10 billion to cover local costs for new technology and staff training.. That is the figure that the Home Secretary could not find earlier. The cost will inevitably be passed on in higher council tax bills or higher general taxes.

Steve McCabe: I recognise the right hon. Gentleman's opposition to the Bill, but does he stand unequivocally by every assumption and calculation in the LSE report?

David Davis: I shall revert to that shortly. However, there are two external reports—the Kable report and the LSE report. Both estimate the cost of the scheme as approximately between £15 billion and £19 billion. That is roughly three times the figure with which the Home Office has come up. As I shall explain, the figures in the reports are more plausible than those of the Home Office. We are considering a 10-year programme and anyone who estimates the cost as being less than a few billion pounds at this stage is unwise.The Home Secretary disputes the LSE's figures, but another company has also estimated the cost to be approximately £15 billion. An expert from Belgium who advised the Government on their plans said:

"I'm afraid a lot of money will be wasted and that the real cost will be much higher than any of the figures currently being suggested".

Whom should we believe—independent organisations or the Government? The Government claimed that the criminal court computer system would cost less than £150 million but the actual cost was £400 million. The Government said that moving GCHQ's computers to another building would cost £20 million, yet it cost £450 million. Recently the Government overspent on computer projects by £2 billion. Why should we believe them?

Mark Fisher: Given the importance of cost, would not it be more satisfactory for the House to proceed by inviting a Select Committee to hold an inquiry into the costs to establish whether the disparity between the LSE figures and those of the Government is credible, and to reach a figure on which the House can agree before we make a final decision on the Bill?

David Davis: The hon. Gentleman makes a good point. He may remember that on Second Reading, and I think even on Third Reading, I offered the Government a Joint Committee. The idea had stemmed from the newest Member of the House, my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack)—who, of course, is not really the newest Member at all. It struck me as a sensible idea, and I put it to the Government twice. Twice the Government turned it down. I do not think we can stand by and let the Bill proceed through its stages after being turned down twice and not being given a proper response by the Government twice.

Mr. Love: Does not the essential difference between the LSE's position and that of the Government lie in whether there is a 10-year or a five-year cycle for identity cards? Does not all the evidence about biometrics suggest that the cycle should be closer to five years than to 10?

David Davis: That was part of the difference, as I understand it. I do not think that the Home Secretary was right when he said that it doubled the cost; I think it adds several hundred million pounds, but I do not think it doubles the cost. As for the other point, what is the practical cycle for biometrics? One of them involves a picture of the individual's face. The Government say that 10 years is good enough, while the LSE favours five years. I have known the Home Secretary for more than 10 years, and I think he has changed a bit in that time. I would go for the five-year cycle if I were him.

Martin Linton (Battersea) (Lab): Will the right hon. Gentleman give way?

David Davis: I think that I should finish what I have to say. We must allow some other Members to speak at some point today.

Why should people have to pay for the Prime Minister's pet project? Will they have to pay to change their names when they get married? Will they have to pay again when they change their addresses?

Sir Patrick Cormack: Or their gender.

David Davis: Or their gender, indeed. I do not know whether that is an expression of ambition. Now I am shocking the Home Secretary.

Who will pay for the means testing? Who will carry it out—means testing, that is, not gender change? What will it cost? All those questions remain unanswered.

Kate Hoey (Vauxhall) (Lab): Will the right hon. Gentleman give us his take on what the Home Secretary said about what I would describe as the Irish question? Did the right hon. Gentleman understand the Home Secretary to say that those who live in this country and perceive themselves to be Irish—many of my constituents have lived in this country for many years, and still consider themselves to be Irish—would need identity cards?

David Davis: According to what I understood the Home Secretary to say, the answer is no. There is a huge lacuna in this proposal.

Simon Hughes: No library books for the Irish!

David Davis: A new Liberal Democrat policy is being founded, it seems.

The simple fact is that there is a common travel area between us and Ireland, and I understand that there is no proposal to change that. It gives citizens of each country an absolute right to travel freely in the other country. The Irish Parliament may well choose not to introduce a system like this, but if it does, such a system—contrary to what the Home Secretary said earlier—will require information exchange. It is impossible for an identity card system to work in two countries without the exchange of information between them.

Andrew Mackinlay: There is no way the Irish Parliament would accept that.

David Davis: I suspect that there is no way a number of members of the Democratic Unionist party would accept it either, but that is another matter. There is a serious problem here, which cuts a huge hole in proposals for any serious security-based identification mechanism.

It is no surprise that the Government's plans have come to be seen as a plastic poll tax. They are excessive, expensive, unnecessary, unworkable and, now, unpopular. They have no clear purpose, and they are no guarantee against fraud. It is hard to escape the conclusion that they are an answer in search of a question or a solution in search of a problem.

All along, I have made it clear that I would not normally countenance ID cards, but I was prepared to give the Government a chance to make their case. In my view, however, they have failed to do so. ID cards represent a clear and present threat to the everyday freedoms and liberties of the British people. Some people question why there is such concern about a little plastic card. The answer is that there is not. There is concern about what lies behind that little plastic card.

The Government are planning to establish a massive identity database in Whitehall that will contain all sorts of personal information about people in this country. The database will have a number of access points, and there will be nothing to prevent someone from inserting a virus at any one of those access points which could render the entire database open to fraud. When I asked some of Britain's most senior police officers what could be done to stop that happening, they could not give me an answer. Even today, no one has been able to do so. The concerns remain.

Last month, the *New Statesman* reported a meeting with a young professional mathematician, who said that it "wouldn't be hard" to steal someone's identity under the Government's scheme. He asked:

> "What's a biometric? It tells you that this card matches that iris. It doesn't tell you who I am, though. I'd just take someone else's life details . . . register those with my own biometric and name. There, I've faked an ID".

Do the Government have a solution to that problem? No. Even worse, the mathematician went on to state that

> "half the members of every university maths department in Britain"

could probably break the system. I know that fewer people are studying maths under this Government, but even so, that would be too many.

Mr. John Baron (Billericay) (Con): Does my right hon. Friend agree that, even if the biometrics were 100 per cent. foolproof, which many of us doubt, the problem with preventing terrorism would be that, under the present legislation, terrorists would still have the option to cross national boundaries using tourist visas that were not based on biometrics? This casts a great deal of doubt on the use of ID cards in relation to the prevention of terrorism.

David Davis: My hon. Friend makes a good point. We must also remember the three-month period—I almost said "exclusion zone"—allowed for people visiting from the European Union. Also, it is well known in security circles that the identity card systems of some countries on the continent are easier to get into than others. They could provide an access point, too. The gateway control in this scheme will be incredibly difficult. Huge numbers of people will be involved. The Passport Office stated today that about 4.5 million people a year would have to be interviewed in the near future. That gives us an idea of the sheer size of the problem. The system will, I am afraid, be eminently penetrable.

The database will also be open to abuse. A disgruntled Minister, official or civil servant could access information about anyone in the country, pretty much at the touch of a button. People might say that that seems like paranoia, but I remember how this Government tried to smear Pam Warren of the Paddington survivors' group, to savage the reputation of 94-year-old Rose Addis, and to rubbish the reputations of Martin Sixsmith and David Kelly.

The Home Secretary was at it again this morning. He launched a savage attack on Simon Davies of the LSE—*[Interruption.]* I do not know what the Home Secretary has against people called Davies. I have nothing against people called Clarke. His savage attack on this respected academic was implicitly an attack on the 14 senior professors involved in the LSE's project, but he picked out that particular man and called him "partisan" and "technically incompetent". Why? Because he disagrees with the Home Secretary. As usual, if the Government do not like the message, they shoot the messenger. We have seen this time and again; the way in which the Government treat people who disagree with them is a disgrace, and this does not make me any more inclined to support plans that would give them even more control over the public's personal information.

[David Davis]

The Bill is a step too far. If the Government really want to tackle benefit fraud, there are better ways of doing it. If they want to tackle crime, they should put more police on the streets. If they want to tackle terrorism, they should introduce greater control and surveillance at British ports. If their plan is to tackle illegal working, they should get a grip on the shambles of the asylum system. For each and every problem that will supposedly be dealt with by ID cards, there is a better, cheaper and more cost-effective solution that does not threaten to remove the long-held and fought-for freedoms of the British people.

There was a time when Labour Governments were elected to fight poverty, but the cost of ID cards will only make people poorer. There was a time when they tried to pursue fairness, but as the GMB trade union says, ID cards will discriminate against and stigmatise minority and disabled groups. There was a time when the Labour party stood up for people's freedoms. Since 1997, it has been attacking our freedom piece by piece and bit by bit.

Today's proposals are the final straw. We should not be party to seeing them passed. We will not be thanked by today's generation for whom the extra cost will be too much to bear. We will not be thanked by future generations, who will look back to today and ask why we let this change occur. We will not be thanked by an older generation who fought to protect the very liberty that we now propose to give away. We should not countenance these plans, which are illiberal and impractical, excessive and expensive, unnecessary and unworkable. That is why we will vote against the Bill this evening.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind the House that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches, which comes into operation now.

5.10 pm

Mr. David Winnick (Walsall, North) (Lab): To get matters in perspective, perhaps we should remember that the Leader of the Opposition was an ardent supporter of ID cards, and had he got his way it is likely that a Tory Government would have introduced them. I am also pretty certain that we, the then Opposition, would have opposed them. I am not sure whether there is some consistency there.

Even were there not the many practical problems in relation to technology, the final cost and so on, I would have the utmost reservations about the reintroduction of identity cards. I do not believe that they are necessary; indeed, I believe that they are irrelevant to the many problems that we undoubtedly face. I would require compelling and coherent reasons for such cards to be brought back after more than half a century. However ably my right hon. Friend the Home Secretary put forward his case today, I simply do not believe that a real case has been made for identity cards. I said earlier—obviously, my assessment could be wrong—that were there to be a free vote tonight, this Bill would not get a Second Reading.

All the problems that have been mentioned as reasons why we should have identity cards are undoubtedly problems—no one denies that. Most EU countries have identity cards, which in some cases date back to dictatorships—although I do not question that those countries are now as much democracies as the United Kingdom—but do not those countries have problems with illegal immigration, benefit fraud and identity fraud? Are those not problems that are common to virtually all industrialised, advanced countries? It is therefore difficult to see the argument that such problems would be solved if we had identity cards, which are pretty useless unless compulsory—what purpose is a voluntary identity card?—so obviously compulsion will come in due course.

Dr. Palmer: Will my hon. Friend give way?

Mr. Winnick: If my hon. Friend will forgive me, I will continue.

The previous Home Secretary accepted, like my right hon. Friend today, that the mass murders that took place in Istanbul and Madrid would not have been prevented by identity cards, however biometric they might be. I did hear my right hon. Friend say today, however, that it was easier for the Spanish to identify the culprits. I have doubts about that. After all, the Spanish have been faced with a long, murderous campaign by ETA, and have they been successful in identifying those responsible? Again, I have doubts.

We are told that the police consider that the cards would generally be a help. Were it left to the police, however, I wonder whether identity cards would ever have been abolished in the first place. As hon. Members know, a case brought by a police constable in 1952, which was thrown out by the court, led the Government of the day to abolish them.

As has been mentioned, all this started some three years ago as a Home Office consultation document described as being about entitlement, not identity cards. It gave all the reasons—such as fraud and so on—why it would be useful to have what was described as an entitlement card. It had nothing to do with terrorism whatsoever. Indeed, the point was made in that 2002 Home Office consultation document that in respect of identity fraud, such a card could do a disservice. It argued that too much reliance would be placed on the card and that the usual safeguards currently employed by financial institutions and others could go by the board.

I have the utmost fear that—

Mr. Hogg: The implied admission by the Home Office is that identity cards can be forged.

Mr. Winnick: No one would deny the obvious, which is that biometric cards would be that much more difficult to forge. We can take that for granted, but it is difficult to believe that international criminal gangs—they are very different from the round-the-corner gangs—that would have so much incentive to forge these cards would not try to do so. It is also difficult to believe that they would not prove successful in some respects. So even on the issue of forgery, we should not be too complacent.

Dr. Palmer: Will my hon. Friend give way?

Mr. Winnick: If my hon. Friend will forgive me, I will not.

When the Home Affairs Committee took evidence, the point was made by a number of witnesses that it is not just the identity card but the database and the national identity register that should give a good deal of cause for concern. They certainly gave me, if not my colleagues on the Home Affairs Committee, cause for concern. Indeed, rather than voting for the majority report, I wrote a minority amendment to it.

If this proposal comes to fruition, even when we change address—except for the shortest possible period—we will have to notify the authorities. Some may say, "Why should we not?" I say, "Why should we?" It is argued that the authorities already hold a great deal of information on individuals via the national health service and national insurance, for example, but that is not the subject of any controversy. Indeed, Labour Members are all in favour of holding information relating to welfare benefits and so on, but that is not an argument for extending the amount of information held by the authorities; it is certainly not an argument for having the proposed database.

In fact, schedule 1 could be amended not by primary but by secondary legislation, so that the list of information that might be included on the register could be added to. That is why there is concern about function creep. It is true that such information could be added to only with the authority of both Houses. Nevertheless, more such information will be added over time, and the Government of the day—it might not be a Labour Government—will justify doing so by claiming that it is absolutely essential.

There is a particular point to which I cannot help returning. If what my right hon. Friend the Home Secretary had to say today is so reassuring, why is the Information Commissioner so concerned? He is not involved in party politics. He is not trying to make party political points. He has a job to do. In the light of the points that he has made, which have been quoted today—indeed, he made others when he gave evidence before the Home Affairs Committee—we should certainly be worried. He told the Committee that if such cards were introduced, there would be a sea change in the relationship between the state and the individual. Are we simply going to dismiss such points, saying that they are of no importance? This is why some of us continue to be so concerned about what is happening.

I do not believe that my right hon. Friend the Home Secretary and his Cabinet colleagues have a hidden agenda. I do not believe that they are trying to bring about the kind of society that the Opposition spokesman claimed. I have known a good number of Ministers for many years and I have no reason to doubt their integrity. In my view, they believe that they are acting in the national interest. It is not their integrity but their judgment that I question. On this issue, they are wrong. They have not considered sufficiently all the proposal's implications.

I realise that it is argued that, regardless of critics in the House of Commons and in the other place, public opinion is more or less in favour of identity cards—but public opinion can shift. One reason why public opinion has so far been in favour is the result of high expectations. It is thought that the problems of illegal immigration, asylum seekers and all the rest of it—problems that we encountered on the doorstep time and again during the election campaign—will all be resolved if only we have identity cards. However, as the cost comes to be more widely known, attitudes will change. Even if we dismiss the figures of the London School of Economics, which may have exaggerated the costs, it is pretty certain that the costs now ventured by the Government are unlikely to be the final costs. Who really believes otherwise?

I have very carefully considered—it is a matter for me as an individual, as I do not belong to any particular grouping within the parliamentary party—how I should vote. I always knew that I could not vote in favour of the Bill. Given the strong views that I have long held on this issue since the idea of ID cards was first introduced, that would be a form of political prostitution on my part. I asked myself whether I should therefore abstain because I am a supporter of the Government and I want them to do well. As a Labour Member, I obviously want the Government to be re-elected in due course. However much I tried to justify to myself the idea of abstaining, I simply could not do so. I have therefore reached the conclusion that it would be totally wrong—indeed, in some respects even dishonourable—for me to do other than vote against the Bill on Second Reading. That is what I must do.

5.21 pm

Mr. Mark Oaten (Winchester) (LD): As politicians, we always have to make judgments before supporting any measure. We need to be convinced in the first place that we understand and agree with the purpose of legislation; then we have to believe that the costs are not excessive either to society or the individual. Thirdly, we need to be convinced that any measure can work and be effective. Finally, and most importantly for Liberals, we need to be convinced that the impact on society and civil liberties will not be extensive. On all four counts, we believe that the Identity Cards Bill fails. I want to explore some of those issues in greater detail.

Let us first consider the Bill's purpose. The Government keep changing their minds—every time that they advance an argument and it is knocked down, they have to find a different argument in favour. They started off with terrorism, before moving to health tourism; then it was benefit fraud; then illegal working; and now, finally, they are going for ID theft. On each occasion, the argument is put forward and then defeated.

Dealing with terrorism is the first justification. Liberal Democrats never underestimated the need to put forward measures to make this country safer in respect of a terrorist attack. However, as we have already heard in the debate, the issue of whether a terrorist identity is critical is, in fact, a false argument. We know what happened in Madrid and New York, and we know from the cases of David Copeland and Richard Reed that those individuals made no attempt to disguise their identities. The Home Secretary mentioned Madrid, but I specifically went there to speak to the authorities in order to ascertain whether ID cards would have made a difference. The authorities were very clear indeed that they did not believe that having an ID card would have made any difference; it would not have helped to stop the terrorist attack. To put it bluntly, a

[Mr. Mark Oaten]

determined suicide bomber or terrorist will not be deterred by such a card. The problem of identity is, in most cases, simply not an issue.

Mr. Tom Harris (Glasgow, South) (Lab): Does the hon. Gentleman nevertheless accept what my right hon. Friend said in his statement—that even if ID cards could not have prevented the Madrid atrocities, they certainly helped the authorities to track down the culprits?

Mr. Oaten: In that particular case, that is so, but it would not necessarily require an ID card to make the link with a mobile phone. In other words, there are other ways of achieving that.

About a third of terrorists use multiple forms of identity, so the Government have claimed that ID cards would help in tracking down terrorists. Once again, that is a false and a dangerous argument. Nothing in what the Government have suggested would prevent international terrorists from coming into this country with false documents—what are known as seed documents—and registering under a different name for an ID card with their biometrics on it. Indeed, that highlights the danger of ID cards providing a false sense of security. Unless an international system is put in place, and countries such as Afghanistan and Saudi Arabia all signed up to the same form of biometrics, there is no reason to assume that individuals could be stopped from moving around with different identities in different countries.

Kali Mountford: I shall put to the hon. Gentleman the question that I put to the right hon. Member for Haltemprice and Howden (David Davis). I accept the argument that someone may register under a false identity in the first place, but how does that person then obtain five or six more identities in order to evade justice?

Mr. Oaten: That is what people are doing already. They will be able to move from country to country because the biometric systems will not be available in those countries. It is a fundamental flaw in the terrorist argument.

The final argument on terrorism is simple. If it is so urgent, and if the threat from terrorists in this country is so compelling, why will we have to wait 10 years for the system to become compulsory? If we need it for that reason, surely we need it now.

The next argument the Government made was on benefit fraud. The Home Office and other Departments' figures on benefit fraud show that only 5 per cent. of cases of benefit fraud relate to people pretending to be somebody else. That equates to some £50 million of fraud a year. The vast amount of benefit fraud involves individuals pretending to have something wrong with them when they do not—it does not involve issues of identity. Therefore, ID cards will do nothing to help tackle that problem.

Then the Government raised the issue of health tourism and health fraud. However, the Home Secretary did not clarify how ID cards would be used to combat that problem. What would happen? Would I have to have my iris scanned or fingerprints taken before I could see my GP? Would every post office have a reader in place to prevent benefit fraud? If someone wants to access emergency health care at an accident and emergency department, would they have to have their iris scanned? Who will manage that process? Would we ask front-line professionals in the health service to take decisions about who they scan? If the programme is not to be rolled out nationally, would the Government suggest that certain health authorities in areas with certain types of ethnic communities should be encouraged to implement that programme?

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): During the course of taking evidence on laser surgery, it became clear to me that most consultant optometrists agreed that accurate information would not be available, even with modern techniques. They made it clear that they thought that the system would not work.

Mr. Oaten: I am grateful for that intervention and I shall deal shortly with the failure rate of iris scans in the Home Office's own studies.If the reason for ID cards is health fraud, it obviously has not been thought through and it is hard to see how any system would operate.

Martin Linton: Is the hon. Gentleman aware that the national health service makes no checks on identity before providing emergency treatment? Does he suggest that the NHS should make no checks on entitlement to free treatment when it has such checks at its disposal?

Mr. Oaten: When the hon. Gentleman went into an accident and emergency department to have his arm treated, would he have liked it if a front-line professional had had to ask for his identity before that could be done? How would such a proposal operate in reality and how would we fund having iris scanners or other biometric equipment in every department in the health service? It is not workable.

Martin Linton: Does the hon. Gentleman accept that it is NHS policy not to make any identity checks when people come into accident and emergency departments, but only after the emergency has been dealt with?

Mr. Oaten: It makes no difference at what point identity is checked. The point is whether we should ask the health service to fund the checks or ask health professionals to take decisions about whether to ask for the information. I do not want to live in a society in which I have to have my fingerprints or other biometric information taken before I can be treated.

I wish to move on to the Government's next argument, which was about tackling illegal working. This is one of the Government's most disingenuous arguments. We all want to tackle illegal working, but we already have a system in place where individuals who come into this country as asylum seekers or workers have to possess a form of identification. It is possible for the police or the gangmasters who employ such people to check those working documents. What difference will it make if those individuals have to have an ID card?

Will the police carry out more checks than they do at present? Will the gangmasters suddenly demand to see ID cards before they employ those people? Sadly, the kind of people who employ illegal workers will not take part in that process. The idea that ID cards will tackle illegal working can be dismissed.

What about the Government's latest suggestion that the card will deal with identity theft? Again, they have got it wrong. The Government argue that about £1.3 billion of identity theft takes place in the UK, but a vast amount occurs through the internet or with credit cards, so I fail to understand how an ID card will tackle that problem. The Association for Payment Clearing Services says that only 36 million of the 500 million cases of plastic fraud are classified as identity fraud. The association is not convinced that an ID card will help in tackling those issues, especially internet fraud. The Government have put up an argument about ID theft, but in reality the ID card will not help to tackle that issue.

Mr. Marshall-Andrews: On that interesting issue, the document notes that £400 million of that £1.3 billion related to money laundering. In 2001, such cases involved people going into bureaux de change with suitcases full of old, mainly Scottish, notes. That is where the money comes from, so how will the situation be improved by an identity card?

Mr. Oaten: The hon. and learned Gentleman makes my point. The Government state a figure, make out that there is a major problem and suggest that ID cards can solve it. In reality when we break down the figures we realise that the cards will not help to deal with the problem.

Even if we were to accept that all those problems could be solved by the use of ID cards, and even if we bought into the Government's arguments, from terrorism to ID theft, we would still have to consider whether we can set up such a system at a reasonable cost. That is the most complex part of the debate.

The Liberal Democrats accept the need to upgrade passports, so we are arguing not against the total cost, but against the costs that are additional to what we accept needs to be done under our international responsibilities. However, the problem is that the Government are, yet again, being disingenuous; they are suggesting a level of upgrade for passports that is not actually needed, and in doing so they are trying to hide and bring in the full cost of ID cards under a passport scheme. That is wrong both in my judgment and in that of the authors of the LSE report, who state:

"We find that the Government is unnecessarily binding the identity card scheme to internationally recognised requirements on passport documents. By doing so, the Government has failed to correctly interpret international standards, generating unnecessary costs, using untested technologies and going well beyond the measures adopted in any other country that seeks to meet international obligations."

We are gold-plating-plus what is required for the upgrading of passports, and the Government are using that to hide some of the costs of ID cards.

We do not need to look at the recent LSE report for the costings or to listen to Kable's assessment of the costs; we simply have to look at the Government's own costs to realise that they are spiralling out of control. When the House last debated the costs involved, we were told that the cost for an individual would be about £77 and that the overall cost would be £3.1 billion—yet according to the Government's figures today the cost will be £93 for an individual and the overall total has risen to £5.8 billion. In such a short time, there has been a huge increase. That is not a dodgy LSE report but the Home Office's estimate of the costs.

Mr. David Heath (Somerton and Frome) (LD): Another cost to the individual has not been highlighted. We are told that what the Government euphemistically call enrolment centres, where people are supposed to be measured, will be no more than 45 minutes travel time. That is a fantasy in rural areas where 45 minutes would take a person no further than the bus stop outside their house, because there are no buses. For a large number of people in rural areas, there would be a huge additional cost to get to an enrolment centre to be measured. Should not those people receive a rebate if there is to be equity?

Mr. Oaten: My hon. Friend makes an excellent point in several regards. There will be the cost and inconvenience of travel to those large processing centres, especially in rural areas. I have visited one such centre outside Madrid; it was huge. The Government have not fully factored in the additional hidden costs of building such enormous centres all over the country.

Mr. Hogg: The point goes even further than the hon. Member for Somerton and Frome (Mr. Heath) suggests. People in rural areas will have to take a whole day off work, and that is an enormous cost to an individual.

Mr. Oaten: Imagine an average family with two teenage children and maybe a granny, and you can bet your bottom dollar the person will have to go to the centre four or five times a year, taking different family members each time. The public have not realised the costs and inconvenience involved. When they realise that that is what they will actually have to do—

Adam Afriyie (Windsor) (Con): Will the hon. Gentleman give way?

Mr. Oaten: I will give way one more time.

Adam Afriyie: Does the hon. Gentleman consider it dignified for the elderly and those with disabilities to queue to have their retinas scanned and their fingerprints taken to be processed by the Government?

Mr. Oaten: It is certainly much more intrusive than the current system, which involves going to Boots to have a photograph taken and then sending the passport off. We must recognise that the process and the way it is handled will have quite an impact on people who feel uncomfortable about having their fingerprints, face and irises scanned.

Several hon. Members *rose—*

Mr. Oaten: I want to move on.

[Mr. Oaten]

There is another issue, in relation to costs. If the Government are serious about rolling out the scheme to tackle benefit fraud, have they considered the cost of putting scanning machines in all the outlets? We are told, again from Home Office figures, that the reading equipment will cost between £250 and £750. Just putting readers in every single post office would cost £11 million. Interestingly, the Home Secretary seemed to imply that the decision whether to purchase readers would be down to individual authorities. It is interesting, is it not, that health authorities and local government may end up picking up the bill?

There is one hope in relation to costs: they may ultimately be the way in which we can defeat ID card bills. I want to ask the Minister—he may intervene on me—to clarify what the Prime Minister meant when he said:

"So you have got a process which you are only at the very beginning of now, but it stands to reason, no government is going to be introducing ID cards if the cost to the public is seen by them as unreasonable."

Is that a promise that if the figures rise, the Government will abandon the scheme, and will the Minister describe what he regards as unreasonable? I regard a scheme that costs £10 billion plus to be an unreasonable scheme.

Mark Fisher: Does the hon. Gentleman recognise that the cost to the public will include the cost of readers, and that tens of thousands of readers for all the public services will ultimately be involved, if and when the scheme becomes compulsory? Those costs will be very considerable, and while the public may not pay directly, they will pay, because all those authorities will have to increase their charges. The cost to the public will be very high, even if it is not a direct cost.

Mr. Oaten: The hon. Gentleman makes an excellent point. My fear is simply this. Now that the Home Secretary has indicated that in Committee he is prepared to consider putting a cap on the charge, he has bound himself to say that he is going to charge only a certain amount. But we know that the Government will have to find the money somewhere, so it will go on to tax generally. People will either pay for it individually or they will pay for it through general taxation. We believe that that is wrong and that the figure is getting too large.

Even if one accepted, first, that the proposals had a purpose, and secondly, that this was the right price to pay, one would still have to make the case that the scheme could work, and that is the point at which we reach the issue of the database. There are two questions about the database. The first is whether it is workable. I am not going to rehearse all the arguments, but we know the figures in relation to Government databases; the success rate is pretty appalling. Despite the Home Office success on passports, the general assumption on Government IT schemes is that they go wrong or over budget, or most likely both.

The second question concerning the database is the crucial issue, which has been touched on by the shadow Home Secretary in particular. The right hon. Gentleman referred to the nervousness that Opposition Members feel about what could happen to that database and about who can access it. We might also fast-forward to what we could be doing with that database in 10 or 15 years' time. Technology already exists to use CCTV cameras to recognise faces in public. It is not beyond the reasonable bounds of possibility that one could link those CCTV cameras with the facial scan and then start to link that into the database. I am concerned about that, and I am not alone. The Information Commissioner has said that he is concerned that each development puts in place another component in the infrastructure of a "surveillance society". He is concerned about the way in which demands will grow for individuals to prove their identity; the broad purposes permit function-creep into unforeseen and perhaps unacceptable areas of private life. We must look carefully at what could be done next with the database, as technology progresses.

Ms Abbott: On the question of the database, as if the scenario that the hon. Gentleman outlines were not frightening enough, as one of the few Members who has had occasion to see their security file, I have to tell the House that it was full of duff information, and that I find the idea that duff information could be rolled forward in that way even more alarming. The proposal is bad enough if the database is accurate, but if the database contains inaccuracies, it is made much worse.

Mr. Oaten: I do not want to get into what may be inaccurate, but I certainly agree that the concerns about such misinformation suddenly becoming accessible to so many individuals are troublesome. If such a system were used in the health services in some way and, for example, a woman presented herself to a doctor about a termination, would that information be held on the database? What other organisations could gain access to it?

The Parliamentary Under-Secretary of State for the Home Department (Andy Burnham): No, not at all.

Mr. Oaten: The Minister disagrees from a sedentary position, but he must recognise that there is real concern, particularly when public services are linked to the database, about what can be held and who can gain access to that information.

Mr. Garnier: The situation is made worse by the fact that this is an enabling Bill—it is devoid of detail—so those questions cannot be answered. I do not think they can even be answered by the Government, who hope that we will shut our eyes to the difficulties that lie ahead and take the Bill on trust. That trust does not exist, either in the House or among the public, and the hon. Gentleman should highlight those concerns further.

Mr. Oaten: The hon. and learned Gentleman is absolutely right. We are being asked not only to sign a blank cheque for the costs involved, but to sign up to all sorts of function creep that can be added to the proposal.

I want to turn to whether or not the proposal can operate in reality. We have concerns about the database, but our latest concern, which the Government have not addressed during the debate, is whether or not the biometrics will work in the first place. The Government helpfully did their own study, and what did they find? They found that, on face verification, 33 per cent. of

faces could not be recognised; on fingerprint verification, 19 per cent. could not be recognised; and, on iris verification, 2 per cent. could not be recognised. *[Interruption.]* I am not surprised that the Minister for Immigration, Citizenship and Nationality wants to leave because there are difficult answers to be given.

The failure rates—up to a third on facial scans—imply that a lot more work is needed before the biometrics could be trusted. I am no mathematician, but even if the Government got the failure rate down to 3 or 4 per cent., with a population of 60 million, far too many people could end up being denied services or being hassled because the scheme had not operated properly.

Patrick Hall (Bedford) (Lab): With regard to the efficacy of the iris biometrics, why is the hon. Gentleman ready to dismiss the Cambridge university report alluded to earlier this afternoon? Does he not think it premature to dismiss an examination of the iris recognition immigration system that will be introduced at Heathrow airport? Can we not learn from those initiatives? Is the hon. Gentleman not prepared to keep an open mind about that in the light of what will take place?

Mr. Oaten: The Home Secretary has been telling us all afternoon that we should listen not to the academics but to the Home Office, so I am taking his advice and listening to the Home Office's study, which shows those appalling failure rates. The system failed not in an academic study but in a live situation, with real people using the equip

Kali Mountford: Will the hon. Gentleman give way?

Mr. Oaten: No, I want to push on because other hon. Members wish to speak.

I want to touch on the Bill's civil liberty implications, which have not been thought through in great detail, by picking up on an intervention that I made during the Home Secretary's speech. I have a very real concern about the fact that certain ethnic groups will regularly be asked to show their cards. That concern relates not to the police—I accept the Government's promises in the Bill that the police will not be able to ask such questions—but to access to public services.

The small print of the regulatory impact assessment makes the point:

> "As pressures grow on public services, service providers will have to bring in complex procedures for checking a range of documentation as the old assumptions that if you are here you are probably here legally is no longer acceptable. There are also cultural problems about getting service providers to ask only certain groups for proof of identity for fear of being accused of discrimination."

There it is in print; it is extraordinary that the Government admit in the regulatory impact assessment that only certain groups will be asked for proof of identity. That is the proof that the Bill could have an impact on ethnic minorities.

Mr. John Denham (Southampton, Itchen) (Lab): Is the hon. Gentleman aware that hospital trusts currently have the legal requirement to establish whether patients are legally entitled to NHS treatment so that if they are not, they can be properly charged? That applies to visitors to this country with long-standing conditions who present for treatment. If he is opposed to asking such people whether they are entitled to NHS treatment and to charging them for that treatment, will he say so, because he would thus be arguing against the whole principle of identifying people's entitlement to services, not an ID card?

Mr. Oaten: I am opposed to the compulsory system towards which we are heading which will, in the Government's words, put pressure on front-line public services to require certain ethnic groups to show proof of identify, despite the fact that I would not be asked to show the same proof of identity.

Lembit Öpik (Montgomeryshire) (LD): Is my hon. Friend aware how out of kilter Labour Members are? Wales, which has a Labour-led Administration, has voted to oppose the mandatory use of identity cards for access to public services. Labour Members need to realise that other members of the party of government in other parts of the United Kingdom have already rejected the proposal.

Mr. Oaten: My hon. Friend's intervention illustrates the wisdom of the Welsh. I understand that the Scottish Executive have taken a similar position.

I want to address the question whether the scheme will be voluntary or compulsory. The Government say at this stage that the scheme will be voluntary, but surely that is slightly disingenuous. Are we not heading towards a situation in which perhaps half hon. Members in the Chamber will have to have an ID card in three or four years because their passports will be due for renewal, while I will not need an ID card because my passport is not due for renewal until 2012? There will be a compulsory element to the scheme for perhaps half the population as their passports gradually approach the time for renewal.

We are in a real mess. The system will mean that over the next few years it will be compulsory for some people to have an ID card, yet some people will not need a card because their passports will not be up for renewal and others will never have to hold a card because they do not have passports. However, at some point—we have not been told when—the whole system will become compulsory, so we will all be required to have ID cards.

Lynne Jones: The hon. Gentleman is correct, but the Bill will allow the Secretary of State to decide that certain categories of individuals will be required to have an identity card.

Mr. Oaten: The hon. Lady is absolutely right. We will have a two-tier society—a some-in, some-out society—in which ID cards will be compulsory for some but not others. I do not understand how the system will work in such circumstances. I accept that the police will not be able to ask individuals to show their cards straight away, but if they asked people to take their ID cards to a police station within three or four days, as they will be able to do, the individuals could simply say, "No, because I don't have a passport and I don't need an ID card," and the police would have no idea whether they were being told the truth. What would happen in those

[Mr. Oaten]

circumstances? What is the point of a scheme that one half of the population has to opt in to but the other half does not?

We need to wake up to the reality of what the country will be like when the scheme becomes compulsory. What kind of state will we live in? People will have to take their families to a processing centre miles away, including granny, who has never had a passport, so that she can be put through the humiliating process. There will be long queues at the processing centres while people's fingerprints and irises are scanned, and then a considerable cheque to pay for the whole family will have to be signed. There will also be costs every time people move house. People will have to have their faces and irises scanned when they visit their GPs. No wonder public opinion is shifting on the issue. It is no longer the case that 80 per cent. of people are in favour of the scheme. Opinion is shifting as people are finding out the details of what the Bill will do, and it will shift even more.

The public know that this £1 billion project will go over budget, that these pieces of plastic will not tackle terrorism and that the system will be neither compulsory nor voluntary. The database will make the Child Support Agency mess-up look like a tea party. People who look like an illegal worker or a terrorist will be stopped and asked to prove their identity under the scheme. People will have to turn up at centres miles away from their homes at which their irises and fingerprints will be scanned in an intrusive way.

If someone had said in 1997 that eight years later we would have a Labour Government who had tried to abolish trial by jury, who wanted to lock people up under house arrest at the say-so of a politician, who tried to remove benefits from asylum seekers and who tried to ban freedom of speech, it would have been unbelievable. Now, in about four hours' time, the Government will add to that list by trying to introduce compulsory ID cards. The scheme is illiberal, wrong and will not work, so we will vote against it.

5.49 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I am slightly puzzled by the contribution of the hon. Member for Winchester (Mr. Oaten). Either he has not read the Bill and does not know what is in it, or he has done so but has not understood it. In either event, he seemed to be talking about something entirely different from the Bill.

When members of the Conservative party cry freedom, as the right hon. Member for Haltemprice and Howden (David Davis) did earlier, we know that one of two things is under way. Either France is about to invade or there is a leadership contest. In this case, we know which test was met. *[Interruption.]* Perhaps both were met—I have to admit that I had not allowed for the possibility that both events were going on at the same time.

There are two things that we must determine on Second Reading. First, is an identity card scheme right in principle and, secondly, is this particular scheme, given the consequences that will follow, the right one? I believe strongly, and have done so for many years, that a national identity cards system is right, for all the reasons that have been stated. The arguments against such a system, particularly the argument about the erosion of freedom, are bogus. What is the freedom about which we are so concerned? Is it the freedom not to have to prove that one is who one says one is? One would have the freedom to pretend to be someone else, but I do not think we should defend that in the House. Alternatively, would one have the freedom to evade demonstrating who one is?

Mr. Tobias Ellwood (Bournemouth, East) (Con) *rose—*

Mr. Howarth: I will give way once, to the hon. Member for Bournemouth, East (Mr. Ellwood), but time is important.

Mr. Ellwood: The hon. Gentleman talked about freedoms and the freedom to show that one is innocent. How can it be considered free when individuals can be charged up to £100 for that liberty?

Mr. Howarth: The hon. Gentleman is conflating two arguments, but if he is patient, I will refer to cost in a moment. I am genuinely concerned about which freedom is being taken away from whom.

Mr. Jeremy Browne (Taunton) (LD): Will the hon. Gentleman give way?

Mr. Howarth: No, I said that would give way only once.

The issue of which freedom is being taken away from whom has not been properly addressed so far, and I have yet to understand it fully myself. The issue would be more clear-cut if from the outset it was made explicit that the scheme should be compulsory. In those circumstances, the arguments about whether someone who had to apply for a passport would face a requirement not faced by people who chose not to have passports—essentially, those arguments are about the fair treatment of different individuals—would not arise. Nevertheless, for understandable reasons, the Government have decided to do it this way, and I am prepared to accept the principle behind what they are trying to achieve.

Three issues need to be addressed as the legislation progresses. Rather than deal with them exhaustively, I shall be brief. First, the issue of cost has been repeatedly raised. It is crucial to maintain the high level of public support for the principle of ID cards. If costs at the end of the process are too high, the value of having an identity card system would have to be demonstrated or it would rapidly become unpopular and lose the public support required for its introduction. Secondly, people must be satisfied about security and the safeguards in place to protect information held on the central register. They have legitimate concerns about who will have access to sensitive information about them and for what purpose. We have not satisfied that concern entirely. Perhaps the Information Commissioner went further than he should have done, but his intervention must be addressed. The Government have to do more to convince people that all the necessary safeguards will be put in place so that such a scheme could be used only in appropriate circumstances and for appropriate reasons.

Finally, I have not had the opportunity to examine in detail all the evidence about the accuracy of any given system. If we are going to use biometric measures as the Government propose we must all be convinced beyond reasonable doubt that the most accurate recognition possible of biometric data is achievable. I am encouraged by the Cambridge university study that was mentioned but, to be honest, I have not had the opportunity to read it. *[Interruption.]* Opposition Members seem to think that that is amusing, but they cite studies by various academic bodies with abandon, never having seen them, let alone read them. At least I am honest enough to admit that I have not read that study, and several Opposition Members would have been more honest if they had made such an admission. It is important, however, that that issue is debated thoroughly and that it is demonstrated conclusively that the recognition techniques available are adequate and accurate enough to make the project feasible.

Those are very much issues for the future. My right hon. Friend the Home Secretary started to address them today, but we are not there yet. I am happy, however, to give the Bill a Second Reading in its present form. It is necessary that concerns are addressed adequately over the coming weeks and months but, subject to that caveat, I am happy to vote with the Government tonight.

5.58 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): If the Labour Government are in office when the Bill's provisions bite on the public their reputation will suffer serious and, I hope, terminal damage. Those of us who oppose the Bill are therefore acting in a singularly disinterested manner. My right hon. Friend the Member for Haltemprice and Howden (David Davis) acknowledged that a number of benefits could flow from an identity cards scheme. I share that view, but those benefits are very much less than the scheme's proponents have argued. It is no coincidence that the advantages that they proclaim have developed while proposals, starting with an entitlement card scheme that made precious little reference to terrorism, have been under discussion. I have a very strong feeling that what we are seeing now is a project seeking a justification, rather than a policy for which there is a self-evident and clear requirement.

Let me say a word or two about the alleged benefits. I have practised criminal law off and on for many years, and of course I have read many law reports. It is extremely rare that one finds a case in which the existence of an identity card scheme would prevent or lead to the ready detection of crime. The same is true of terrorism. It is no coincidence that the Madrid bombing happened in a country where the mandatory carrying of cards is a part of policy. Let us not forget that Spain has been suffering from ETA terrorism for years and years, or that most of those who carried out the bombing of the world trade centre carried valid identification cards. When one deals with terrorism, the problem is not so much the concealment of identity as the concealment of intent, which is a wholly different matter.

The same is true also of fraud. Most fraud does not involve a false statement as to identity. It involves a false statement as to intent, or a concealment or misrepresentation of relevant facts as to entitlement. Identity cards do nothing as to that. Even if identity was a factor, I should be extraordinarily surprised if that problem could not be got around by forgery or by a change in the modus operandi.

It is ironic that the one area of policy in which identity cards might be significant is in the control of illegal immigration, but only on the basis that the mandatory carrying and production of cards is made part of the policy. That is precisely what would be excluded by the Government proposals.

Mrs. Dunwoody: Has the right hon. and learned Gentleman's experience at the criminal Bar not suggested to him that the only people who will efficiently and quickly produce identity cards are the criminal classes?

Mr. Hogg: Indeed. The point has been made that once an identity card scheme is set up as a gateway, all the fraudsters of Europe will be devising ways to use the key into the gateway, and they will succeed. The hon. Lady is entirely right.

To the extent that there are benefits, they have to be weighed in the balance of cost and disadvantage. As to cost, none of us can be sure what the cost will be, least of all Government Ministers, but I suspect that there are very few Members of the House not sitting on the Government Benches who would place much reliance on the Government's current projections. Almost every Government procurement project that I have ever heard of has grossly overrun its initial budget, most notably the Ministry of Defence with the technology programmes of the kind that we are now contemplating.

Built into the scheme are factors that will almost certainly escalate the cost considerably. We can be sure that there will be gold-plating on a massive scale. There will be huge staff requirements. The proposal, after all, is that everybody in the country should present themselves at an appointed place at an appointed time to give appointed particulars and answer questions. That has huge staffing implications.

The Treasury refuses to subsidise the scheme. It will be free-standing. As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) will remember, that was the Treasury's initial position when the community charge was introduced, and we all remember what happened to the costs in that scheme. There will be hard cases. Millions of people will assert that they cannot afford ID cards and the cost of subsidising them will fall on other card holders. Also, as the hon. Member for Winchester (Mr. Oaten) pointed out, there will be renewals and changes. Every time there is a renewal or a change, there will be a charge. Built into the system there is huge pressure for increased cost.

Will the technology work to an acceptable level? Again, I doubt it. History and common sense argue otherwise. All of us can keep in mind the Child Support Agency and the problems that it has had with computer systems. Those of us who deal with the Criminal Records Bureau know how very slow and incompetent that is. The early stages of the Passport Agency were a calamity. The family tax credit scheme, which depends upon computers entirely, has proved a continuing calamity. We are entitled to say that history and common sense suggest that the technology will frequently fail.

[Mr. Hogg]

When the technology fails, ordinary citizens will suffer considerable inconvenience because they suddenly will not be able to assert their personality and will not be able to get the kind of benefits of which the Home Secretary spoke. That is a serious prejudice. A related question is what happens if a card is lost or will not work. Again, people will have to go to an appointed centre at an appointed time with an appointed cheque and give appointed particulars. At some time in the uncertain future somebody might sent them a card. What do they do in the interim if they want access to the public services that the Home Secretary mentioned? Citizens will suffer serious prejudice, on which I hope the House will ponder.

I have two final points. First, the policy is too intrusive and therefore is wrong in principle. I entirely agree with my right hon. Friend the Member for Haltemprice and Howden on that point. The policy imposes obligations on the citizen and gives rights to the state, which should happen only when there is a dire and dark emergency, such as in war. I do not believe that there is a justification at this time.

Finally, I return to a point that I made to my right hon. Friend the Member for Haltemprice and Howden about the duty to carry and to produce. I know full well that the Bill as it stands does not incorporate within it any obligation to carry at all times or to produce at all times, and Ministers have given us reassurances on that. But the reassurances of the Government are not a commodity that currently stands in very high esteem. We should not forget that the National Registration Act 1915 also did not provide for any duty to carry and produce; it was amended in 1918. This Bill will also be amended.

Down the track, when people realise that the Bill, if enacted, is not producing any significant benefits, they will say, "The only way we can make it produce significant benefits, especially in the field of immigration control, is to require people to carry identity cards and to produce them on demand." To make that policy practicable, it must be backed with a power of arrest. I want nothing to do with such a policy. It is wrong in principle. It will produce discord between the societies that we live in and the police. Above all, it will bear heavily upon the ethnic minorities.

When I first came into the House in 1979, there was a huge debate about the impact of the old sus law. It caused immense dismay among the ethnic minorities. The Bill, if it becomes an Act, will have precisely that consequence, because it will bear heavily upon the ethnic minorities. I do not often give Labour Members disinterested advice, but my strong advice on this occasion is to destroy the Bill before it destroys them.

6.9 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): I beg to move, To leave out from "That" to the end of the Question, and to add instead thereof:

That this House declines to give a Second Reading to the Identity Cards Bill because the scheme proposed in the Bill will make no significant contribution to the reduction or eradication of terrorism, illegal immigration, or illegal employment; contains no proper safeguards to limit or prescribe the information to be stored upon identity cards or the national register, or the agencies and organisations, national or international, to whom this information will be made available or will be given; fails to identify the biometric details to be stored or to acknowledge the effectiveness of the same or the margins of, the consequences of, and the remedies for, error; fails properly to limit or define the fees which may be levied by the Secretary of State; and the Bill provides for the costs of the scheme to be paid on the authority of the Secretary of State without providing to Parliament any proper estimates of the vast costs likely to be incurred.

The more people understand the Bill's implications, the more they realise that what is a superficially attractive idea is not only dumb, but very dangerous. Anxiety about the Bill is growing among the labour movement, the trade union movement and, as we have seen, Labour Members.

The point of principle is not the introduction of an identity document that includes biometrics, which is inevitable, but the creation of a national registration scheme and national database. Notwithstanding the remarks of the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), I am not het up about the question of whether ID cards should be compulsory, because, as the Government have said, the card will be of limited use on its own.

In the Government's view, the ability to check the card against the record on the register will make the system secure. Far from providing benefits, however, the establishment of a huge database with everyone's personal details conveniently concentrated in one place could be very dangerous. It would create an ID-theft bonanza for any terrorists or criminals who penetrate the security—let us make no bones about it, they will find ways to penetrate the security. Computer experts have told us that no such database can be 100 per cent. secure, and that point has been proved in America, where the Department of Motor Vehicles database has been attacked.

Justine Greening (Putney) (Con): On the penetration of security, we currently have 80 million national insurance numbers in this country, but only 60 million people.

Lynne Jones: That is not particularly relevant. The Government are taking steps to remove the superfluous numbers. Multiple applications are, however, important, and I shall discuss that matter later in my speech.

A major objection to the Government's proposals is that they will not achieve their objectives, and if the scheme has any benefits, the disproportionate cost will far outweigh them. Hon. Members have already pointed out why the measures will not help in the fight against terrorism and organised crime and will be counter-productive. The Bill will also not help to stop benefit fraud, a miniscule proportion of which involves the use of false identities. The Government have not explained how their proposals will help in the fight against terrorism and organised crime.

What information will be stored on ID cards? We have been told that we will be able to access our personal information on the database, but we have not been told

about additional costs beyond registration or how long it will take to access or correct information. And we have not been told explicitly whether an audit trail detailing every occasion on which the police or security services examine our information will be available. We will not know about the huge amount of information that the Government will hold on us.

Mr. Love: One concern is that the ID cards commissioner will have no real powers to investigate such areas and protect the public interest.

Lynne Jones: My hon. Friend is right, and one registration ombudsman, as it were, has already expressed his concerns about that matter.

On the accuracy of biometric testing, the hon. Member for Winchester (Mr. Oaten) discussed the results of the Government's enrolment trial in which the best result, 96 per cent. accuracy, was obtained by iris recognition. If iris recognition were used as the sole identifier, however, it would raise the possibility of up to 2 million false records in a database with 50 million entries. The Government have got wise to that point, which is why they have decided to use three biometric indicators—the iris, facial biometrics and fingerprinting—to make the database more accurate. Even if we were really lucky and achieved a 99.9 per cent. success rate, which might sound fine, it would still mean a potential failure rate of 1 in 48,000, which means that someone could access several different records using their own biometrics by creating different identities. Again, such a system would be a honey pot for organised crime and terrorists.

In response, the Government say that that trial was designed not to test the biometric technology, but to see whether people find the process acceptable, and that they are working to develop acceptable performance. They should not have introduced the Bill before calculating acceptable performance levels and whether the scheme is possible. A 99.9 per cent success rate, which I have mentioned, is way beyond the realm of possibility. In addition, 31 per cent. of disabled participants in the trial found iris recording very or fairly difficult, while the failure rate for disabled people, black people and people over 59 was low. The Government cannot deal with those issues, because even if they improve the technology, there will still be a failure rate and therefore a way for people to obtain multiple identities.

The biometric information will be stored on a massive centralised database. The Government have discussed EU proposals on biometric passports and identity documents, but the European Commission has expressed doubts about the storage of such information on a database:

"The Biometric information and its link to other personal details must be stored in a secure manner. The issue of how and where Biometrics should be stored was of particular concern to the European Commission's Data Protection Working Party. Their publication *Working Document on Biometrics* addresses this by looking at whether biometric information should be kept on smart cards or similar devices retained by the individual or whether it was acceptable to store the information on a centralized database. The Working Party's clear preference is for the former as it believes centralized storage presents an increased risk of data misuse. It is also important to understand that any information linked to a biometric record is only as reputable as the security procedures associated with it. A 100 per cent. reliable biometric system is of little use if any associated information is inaccurate."

That is why biometric passports, which will include facial biometrics and fingerprints, but not a central database are being introduced in Germany, which is a crucial difference.

The Government's assurances on cost beggar belief. They say that 70 per cent. of the cost of introducing the identity scheme will be incurred anyway because of biometric passports, but those assurances are about as credible as those they gave us about the threat presented by Saddam Hussein.

In fact, all that is required is a card and the information to be stored on it. It is true that the current passport database is massive, with 44 million records, but all it contains is the information that one has to give when one applies for one's passport. The photographs are stored separately. There is no storage of biometric data. The current system is minuscule in comparison with what is proposed.

On cost, the Government have rubbished the estimates put forward by the London School of Economics. So far, the only reason that they have given for doing so is that the LSE assumes that the biometrics will need to be replaced every five years. Yet the Government have said that themselves. I have a parliamentary answer from the former Home Office Minister, my right hon. Friend the Member for Stretford and Urmston (Beverley Hughes), which says that

"in order to ensure that the cards, which incorporate technology features such as a microchip function, are reliable, it may be necessary to replace the cards after five years."—[*Official Report*, 10 December 2003; Vol. 415, c. 497W.]

In any case, the cost of collecting the data is minuscule in comparison with the cost of setting up and maintaining the database and trying to keep it as secure as possible.

Many of my colleagues have been beguiled into thinking that this is a good idea and were encouraged to send out dubious questionnaires urging people to support the party because of this proposal. Do they think that it will be popular? Wait until people have to enrol on to the system—they will have to travel to one of the centres, queue up, have their data taken, and be interviewed. And what happens if the scanning goes wrong?

This Bill should be killed at birth. If colleagues think that that is being disloyal to the Government, it is not—it would be doing them a service, not the reverse. It is the most serious piece of legislation that I have ever had to vote on in this House—more serious than the decision to go to war. I urge Members to think clearly about the implications when they decide how to vote.

6.22 pm

Mr. Peter Robinson (Belfast, East) (DUP): I am happy to follow the hon. Member for Birmingham, Selly Oak (Lynne Jones). Although as yet I have not reached any conclusions—I will explain why over the next few minutes—I share some of the concerns that she expressed.

[Mr. Peter Robinson]

My hon. Friend the Member for North Antrim (Rev. Ian Paisley) and I, as well as my hon. Friend the Member for South Antrim (Dr. McCrea), are having a little difficulty in orientating ourselves this afternoon. Over the past quarter of a century and more in this House, we have spoken on this issue perhaps five or six times. On those previous occasions, we got support from the Conservatives and a large dollop of scepticism from the party now in Government. However, we have maintained a consistent position.

If the Bill was a straightforward Bill on identity cards, my support and that of my colleagues would have been automatic. Having lived through decades of terrorism in Northern Ireland, we often found ourselves being asked by police chiefs and Army leaders to have a security provision such as this brought before the House in order to give them an additional element that they could use in the battle against terrorism. My hon. Friends and I raised the issue many times, though we never succeeded in getting an ID card in Northern Ireland. All the advice that we got in those days from the security forces—the police force and the Army—was that such an initiative, while it would not in itself solve the problems that they faced, would be a valuable aid in identifying those who might require closer scrutiny and would quickly eliminate those who "checked out".

If all that we were doing, in the face of very real terrorist threats, was requiring people to have a card that proved their identity, I would not have any valid reservation about that limitation being placed on my privacy or that of my fellow citizens. I would not set such a limited curtailment of my civil liberties above the potential for safeguarding or saving lives. I appreciate that many hon. Members have genuine concerns on the basis of civil liberties issues, and I respect their views on that matter. I have to say, however, that having lived through the past 35 bloody years in Northern Ireland, I would not regard the use of a national identity card as a significant infringement of anyone's civil liberties when I consider the carnage that has been caused by terrorism. I place the value of human life far above the minor inconvenience that will come with an identity card.

At the height of the troubles in Northern Ireland, we were accustomed to being searched going into shops and having our cars stopped. That was properly seen as a necessary measure to deal with a greater danger. The same is true of identity cards. Just as going through an airport nowadays involves a minor infringement of one's liberties, we are happy to trade that off against the greater feeling of security in the air. Identity cards will of course bring other benefits that will be useful and help to reduce fraud, but the fight against crime and terrorism must take precedence.

In Northern Ireland, we have some experience of using photo ID. It may not be compulsory for everyone, but it is required if one wants to drive a car or to vote. Our driving licences in the Province contain a photograph, and the new electoral identity card is used as one of a series of photographic identifiers in order to obtain a ballot paper before one can vote in any election. In many ways a national identity card is simply an extension of that, albeit, in this case, with potentially a much greater range of information. None of the personal identifiers already used has been a matter of controversy in the Province—they are merely regarded as a sensible measure to enforce the law and to protect us from unlawful activity. A compulsory identity card would also have the advantage of providing a more secure electoral system here in Great Britain; by all accounts, that may become increasingly necessary. Incidentally, Members on both sides of the House were happy to legislate for the electoral ID card in Northern Ireland to ensure that those who claimed a ballot paper were those who received it.

If all we were doing today was passing legislation to enable the state to provide its citizens with a card that would prove their identity, how could any of us quarrel with that? It would differ little from using a passport or driving licence as evidence of who we are. In this House, as in thousands of business around the United Kingdom, we have our own ID card to identify ourselves to security personnel. If that were the beginning and end of the matter, I would not be soul searching tonight. However, this Bill is more than an ID cards Bill—it is, in its present form, an enabling Bill, and it is not yet clear quite what the end product will be. This much is already evident: it is more about building up and maintaining a national database of personal information on the citizens of this kingdom than about simply providing people with a means of identifying themselves. The scope of that information-gathering, the extent to which it can be accessed, and by whom, are but a few of my concerns.

The nature of the scheme is the first consideration, but soon after we have made that determination comes the equally relevant question, "Will it work?", followed quickly by, "How much will it cost?" There are relatively few debates in Parliament where the course of the debate, particularly the Minister's responses, can determine how Members will vote, but for me and my hon. Friends this is one such occasion. Some concerns may well be better tackled in Committee, but some fundamental matters go to the heart of whether the Bill should proceed even that far.

We have dealt with several issues in correspondence with the Home Secretary and I appreciate the detailed responses that we received. In the time available, I suspect that I can deal with only one of them: access to the database by Republic of Ireland authorities. My hon. Friend the Member for North Antrim raised the matter in an intervention on the Home Secretary, who said in his communication:

> "The identity card Bill does not allow information to be provided from the National Register to any foreign Government."

I am careful about the use of the term "foreign Government" in relation to the Irish Republic, because I am aware of the terms of the Ireland Act 1949, which provides that

> "the Republic of Ireland is not a foreign country for the purposes of any law in force in any part of the United Kingdom . . . by virtue of . . . any enactment . . . whether passed or made before or after the passing of this Act".

In those circumstances, it is not sufficient for the Home Secretary to say that the information would not be available to a foreign Government because, under current UK legislation, the Republic of Ireland is not considered foreign. However, the Home Secretary went a little further in his oral response to my hon. Friend

when he specifically said that the data would not be made available to the Government of the Republic of Ireland. I would be happy with that undertaking if it were included in the measure. However, I have been to the House of Lords on a previous occasion and, in a three-to-two verdict against us, we were clearly informed that what a Secretary of State or Minister says at the Dispatch Box is not binding.

Mr. Garnier: The hon. Gentleman correctly says that, under our law, Ireland is not a foreign country for several purposes. However, the Republic treats us as foreign. We are not allowed to vote in that country if we live there, although we let Irish citizens vote in our country if they live here. Is the hon. Gentleman content with the Home Secretary's assurance that there will be no swapping of information? It appears to me that the system can work with a common travel area only if the Irish Republic is given access to the hon. Gentleman's personal details and those of all other UK citizens.

Mr. Robinson: It is because I am not content that I ask the Minister to deal with the issue when he responds. Indeed, the Home Office was unable to direct our attention to a passage in the Bill that provided that information from the national identity register would not be given to any foreign Government. It simply indicated that the scope of the Bill rules out sharing information with the Irish Government. We need further clarification on that issue, which is critical for us all.

Mr. Cash: The Government made it clear that the Bill would be excluded from a draft regulation of the European Union because it was classified as a measure that built on the border provision of the Schengen acquis, in which the UK does not take part. Ultimately, the Government and the EU decided that we would not take part, and the hon. Gentleman is therefore right to ensure clarification in the measure.

Mr. Robinson: I appreciate my hon. Friend's contribution. His comments are relevant and we shall take them into account.

I want to comment briefly not only on the potential access of another Government but on that of individuals to the information. There is a natural anxiety that the enabling powers allow the Secretary of State to add to the information that may be stored in the database, and that others may get possession of it. It is essential that we know the levels of security that will be placed on the information that might be stored. I am worried that the enabling power would allow the Home Secretary to add further identifiers through secondary legislation.

Secondary legislation would be most unsatisfactory for dealing with changes in such an important measure. It does not give the House the ability to amend; we would simply be asked to accept, on a take-it-or-leave-it basis, any package that the Home Secretary might introduce.

The Government could just about get away with charging for a voluntary identity card but none of us would accept having to pay for a compulsory card. If the Government expect the card to do everything that they hope it will do, that will not happen with a voluntary card. The Government must have a compulsory identity card if they expect it to have the range of impacts that they outlined. If it is compulsory, it must be free to the end user.

6.35 pm

Mr. John Denham (Southampton, Itchen) (Lab): I believe that the country needs an identity card system and a national identity register and I will vote for the Bill. I want to spend most of my limited time on the way in which the Government may find a way forward after tonight's vote, so I do not want to rehearse all the arguments for the principle of an identity card scheme.

However, the critics of the scheme overstate the amount of intrusion that it implies. The register will carry less information than private companies. For example, the amount of information held on those who have a Nectar card is far greater.

Mr. Wallace: Will the right hon. Gentleman give way?

Mr. Denham: Not at the moment.

The cost or risk of failure has been overstated even if something went wrong with the system. Too much of the argument has concentrated on the view that, because the scheme will not solve problems absolutely, it is not worth doing. Many opponents, especially the hon. Member for Winchester (Mr. Oaten), who speaks for the Liberal Democrats, simply fail to understand the extent to which many public and private systems in our society depend on proof of identity and are weakened because we do not have an adequate system of proving identity.

All the pressures that have led the Government to introduce the Bill will be more intense in 10 years. There will be more movement in and out of the country and greater pressure to secure the integrity of expensive public services. There will be increased opportunities for identity fraud and more entrenched international terrorism. If the Bill fails in the months ahead, I honestly believe that our successors will rue our lack of nerve and principle.

The Government are clearly in a spot of bother over the Bill, however. It saddens me to say that the problems were not only predictable but predicted—in the report of the Select Committee on Home Affairs last year. The Government's case is not helped by continually switching their argument for the scheme every time a new spin doctor enters the fray.

We should admit that the scheme is a state project and there should be no shame in saying so. The state proposes to introduce the scheme because citizens expect it to be able to tackle illegal immigration, crime, terrorism and identity fraud, and to secure the public services. The state needs the co-operation of citizens in that enterprise. The citizen will benefit in many ways but presenting the scheme simply as a benign act of Government to help us to sort out our problems if someone goes through our wheelie bin and steals our identity is disingenuous. The Bill is not about that. Perhaps it could have been, but it is not.

[Mr. Denham]

The Select Committee was in favour, by a majority, of an identity card scheme, the register and the then draft Bill. However, we made several sharp criticisms of the management of the project, procurement and the Bill. Although the Government have responded to some criticisms, they have not responded to many. I believe that they should have done.

We cannot expect every dot and comma to be spelled out at this stage, but we should be able to have confidence that all the major decisions about the scheme will be subject to proper public scrutiny and debate before they are made irrevocably. I am not yet sure that we can have that confidence.

Much attention has been paid to the LSE report. I am not inclined to give it huge weight. One of those most closely associated with it gave evidence against ID cards to our inquiry. Hon. Members can read the transcript of his evidence and judge the extent to which his views could be described as independent.

On the other hand, the Select Committee said of the Government's confidential assumptions on costings:

"We are not convinced that the level of confidentiality applied is justified".

We went on to say:

"We are concerned about the closed nature of the procurement process which allows little public or technical discussion of the design of the system or the costings involved."

The Government, unfortunately, have opted for a closed procurement. The LSE report may well be wrong, but it is the Government—my Government—who created circumstances in which anyone's guess is as good as anyone else's when it comes to the cost.

Public confidence in the scheme and its costings is critical. I can tell the Minister that we will find it hard to generate that confidence without switching quickly to a much more open procurement process on the basis of section-by-section discussion of every part of the system. That is true of many aspects of the system. The decision on what type of card should be used is a decision of the same order as the decision on the architecture of the database. It will have consequences for issues such as how the card will be used, the number of readers and the infrastructure needed. We warned that

"the Home Office appears to be taking these key decisions without any external reference, technical assessment or public debate".

I am afraid that that is still true, that the process is still wrong, and that the Home Office needs to change its approach.

The same is true of card readers and verification. It is no good saying, as the regulatory impact assessment says, that the Bill imposes few if any costs on the private sector. That is true, but unless use of the system by the private and public sectors achieves critical mass it will not operate effectively as a system to verify identities. The Government must say when they will produce their assessment of use by both sectors. I say that as a fervent supporter of the ID card scheme, and one who does not want it to fail because of the way in which the Government have gone about procuring it.

Lynne Jones: On the radio this morning, the Home Secretary said that he would consider committing the Bill to a Special Standing Committee. Does my right hon. Friend share my concern about the programme motion, which allows for only three weeks of Committee deliberation? How will he vote on the motion?

Mr. Denham: I hope that the Minister will imply some flexibility. The present timetable is unfortunate, because of the time being taken to establish Select Committees. The Commons Committee stage will have been completed before any Select Committees, including the Home Affairs Committee, have been formed and can carry out further scrutiny. I think that further scrutiny of the Bill would be useful.

The Government need to do something about what still appears to be the lack of a cross-Government approach. Rightly or wrongly, we are left with the impression that the Bill is a Home Office project that the rest of Government has agreed not to block, rather than a project taken on enthusiastically by Government as a whole. One of the symptoms is a failure to grasp the opportunity, identified by the Home Affairs Committee, to use the ID card as a way of joining up and simplifying access to public services. That leaves us with the risk of inefficient use of the investment in the system and later, perhaps, the rather expensive job of adjusting what is now being done to provide what many citizens would like—a card providing easy access to a number of public services.

Mark Fisher: I am listening to my right hon. Friend particularly closely, because he chaired the former Home Affairs Committee that produced an excellent fourth report containing a huge amount of expert data. It worries me all the more that he has referred to the use that the private sector would make of the system. I understood the Home Secretary to say clearly that the private sector would have no access to the register, but my right hon. Friend seems to suggest that it would.

Mr. Denham: It is quite straightforward. The private sector will not be able to get its hands on the national identity register. However, at present when people ask a solicitor to do their conveyancing, they must go through a sheaf of documents to prove their identity under the money-laundering legislation. In future, they will be able to use their identity cards, and it will be possible for their identity to be verified against the register. I think that wholly acceptable, and a great convenience to citizens. It is entirely different from making the register available to private sector companies.

I have expressed concern about the procurement process and cross-Government commitment. My third concern relates to the Bill itself. I have not yet managed to obtain a copy of the criticisms made by the Information Commissioner, so I am relying considerably on media coverage and the commissioner's evidence to the Select Committee last year. I think that if his full critique were taken on board, it would be impossible to have an ID card scheme at all. It cannot just be a way of making individuals prove their identity. There are occasions when the state

needs to identify the individual. There are security arguments in favour of an audit trail of access to the register, as well as arguments against it. Nevertheless, as well as radically changing their approach to the procurement of the scheme, the Government could make changes to the Bill that would address many of the points made by the commissioner and others.

The purpose of the scheme could be much more tightly defined. There need be no requirement for an ID card for use of a public service; public services merely need to be permitted to use the card for that purpose, which would leave much more power in the hands of the individual. Access for the police and other services to the information for crime-fighting purposes could be more tightly circumscribed. Under clauses 19 and 23 in their current form, the Home Secretary could personally authorise all access to the audit trail, as is now the case with telephone-tapping. They could also be used to give that power to any individual police constable. It should be possible to amend them to raise the threshold and establish proper safeguards. Oversight could be strengthened, and brought under a single, publicly accountable commissioner rather than being unhappily spread between two.

I presume, at the moment, that the Government will win the debate and the vote this evening. I certainly hope that they will. Our present circumstances, however, bear some similarity to a situation that my right hon. Friend the Home Secretary will recognise from a year or so ago, when the Government's discussion of tuition fees began. At that stage, the Government's proposals were not at all bad in principle, but they needed a fair bit of work in the House to be pushed into an acceptable form, which I think we finally achieved. I believe that the ID card scheme is in a similar state. The Government need to make changes both in the way in which they plan to deal with the legislation—there have been welcome indications today that it is open to amendment—and, fundamentally, in the way in which they are attempting to procure the project. There must be proper, independent, technical public debate.

Finally, let me say something about the scope of the Bill. We hear a good deal of talk about "function creep". That will result largely not from the desires of an overbearing state, but from the desire of members of the public to use the information to fight crime. I think it would be more prudent for the Government to recognise that, and not to leave powers in the Bill that might be handy at some point in the future but to limit the powers tightly, confident that the Bill can return to the House of Commons in the future if public arguments favour broader legislation.

6.48 pm

Mr. Adam Holloway (Gravesham) (Con): I know that it is conventional to say nice things about one's predecessor, but even if it were not, I would want to say them about Chris Pond. He was the Member for Gravesham from 1997 until 2005, and from 2003 onwards he was a Minister at the Department for Work and Pensions. I first came across him when I was making a series of programmes about homelessness in London. I know that he spent nearly three decades of his life lobbying for the low paid and that he was the driving force behind the Low Pay Unit. Many of us think that that was an extremely positive way for him to spend those decades, and I pay tribute to him for it.

In Gravesham, Chris Pond was a good constituency Member. At the general election, a number of people told me that he had quietly gone to spend time in the local hospice with their relatives during the last few days of their lives. I should also like to thank him and his wife, Lorraine, for their kindness to me over the past couple of years.

I also want to pay tribute to Jacques Arnold, who was the Member for Gravesham from 1987 until 1997 and is still remembered on the doorsteps for going the extra mile for his constituents. I should also like to register my appreciation to him for all his advice to me. I am grateful to those former Members.

Gravesham is about 20 miles down the Thames if one turns left at the Terrace. The two main towns in the constituency are Northfleet and Gravesend. Pocahontas is buried in a churchyard in Gravesend, and Conrad is rumoured to have written some of "Heart of Darkness" while stranded on the tide near the town. Underneath those towns we have the A2 and the channel tunnel rail link. Beneath that, we have the villages of Higham, Meopham, Cobham, Shorne, Istead Rise, Luddesdown, Vigo and Culverstone. Over the past few decades, traditional industry in Gravesham has declined, most recently with the closure of the AEI factory. There are new jobs, however, and a great deal of new development. There is also a great deal of optimism.

Gravesham is a model of successful racial integration and tolerance. Ten per cent. of the population are Sikhs, and that community is building the biggest Sikh temple in Europe. This involves ordinary families paying about £30 a month by direct debit towards the building and mass volunteering to do manual labour at the weekends. We already have two gurdwaras, a Muslim cultural centre and a Buddhist temple, complete with monks, in a semi in a cul-de-sac. We also have about 30 Christian churches.

Regrettably, however, there is more involved than just building things. Crime and antisocial behaviour are putting a huge strain on communities in my constituency. While 99.9 per cent. of my constituents are trying to get on with their lives, bring up their families and enjoy their old age, about 0.1 per cent. are persecuting the rest and making their lives an absolute misery. For example, last year Rev. Jim Field and his wife Marleen came home to find that the rectory had been burned down. So, after 30 years of marriage, they departed with their possessions in two black bin liners. The 12-year-old who was alleged—and, indeed, seen—to have done it is still wandering around the same street where the incident occurred. Since I have been in Gravesham, I have never seen a walking police officer in a residential area.

Last Sunday, Gwen Ostheimer was shot at with an air pistol, 40 windows were smashed at Shears Green school, and Stuart Hubbard had his windows smashed at 3.30 in the morning because he told a group of youngsters where to go. Mohinder is too terrified to leave his house because of the abuse that he gets on the streets. My friend the Lib Dem candidate was left for

[Mr. Adam Holloway]

dead while walking his niece home at Christmas, and it is still possible to see the marks left by people stamping on his head.

Part of the problem is that the perpetrators of those crimes have no idea of the consequences, either to themselves—in terms of punishment or of their future—or to their victims. Over the past few months, I have been wandering around talking to some of these kids, who are aged between about nine and 14. I have asked them what they thought the consequence would be if they turned over some bins, threw golf balls at an old man's head—I have seen that happen—smashed someone's front windows or set upon people in gangs. The answer from those kids is nil. That is not just bravado; it is true in most circumstances. There are rarely prosecutions or any other kind of follow-up, so the kids cannot envisage any consequences, either to themselves or to their victims, as a result of what they do. I cannot see the point of using ID cards to identify people when no one is even looking for the perpetrators of those offences.

I should like to illustrate my opposition to ID cards with a couple of anecdotes. The first relates to organised crime and illegal immigration. In 2001, I made a documentary for ITV in which I pretended to be an asylum seeker/economic migrant. We went first to Istanbul, where we made contact with a number of criminal gangs. Istanbul is a kind of staging post, and according to the Turkish authorities gangs such as these bring about 700,000 people into the European Union each year. Those people are charged between $7,000 and $10,000. We ended up in the Sangatte camp outside Calais, which was still open at the time—the problem still exists today, however. The camp was full of people smugglers who, for a price, would take great hordes of people down the road—I have done this—to break into the Eurostar terminal and try to get on to a train to England.

During that time, I made friends with a guy whom I will call Malik. Needless to say he, like everybody else, got into England. Two weeks ago I ran into him in Soho. He is now called Mike and he is a builder running a small construction company. He told me that since he came to the UK four years ago, he had had no contact with any form of British authority—not the police, not the tax authorities, not even Westminster council. What would ID cards do about the huge, unknown quantity of people like Mike, some of whom are perhaps not as productive as he is? I am not convinced that they would help.

My second anecdote involves terrorism. In 2003, I found myself in northern Iraq. At that time, there was an area right up on the Iranian border that was controlled by Ansar al-Islam, an organisation affiliated to al-Qaeda. I believe that there was considerable swapping of personnel between the two organisations; some would argue that they are one and the same. One night, its mountain complex was bombed. We heard the bombs going off and we wandered up the valley early the next morning. A few local Kurds had already arrived and started going through the bodies of the people who had been dispersing from the buildings when the bombing started. There were a number of passports there—these guys were from the Maghreb as well as from the more obvious parts of the middle east. The passports contained visas and entry and exit stamps from European Union countries and from the United States dating from after September 2001. So we could all be carrying our ID cards, yet guys like these could be walking around London with tourist visas.

In summary, I would vote for ID cards if I did not think that they were some kind of red herring. They are a red herring in regard to the urgent priorities of my constituents—for whom they will, in effect, represent another tax—and I do not believe that they will do the slightest good in tackling organised crime or terrorism.

6.57 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I congratulate the hon. Member for Gravesham (Mr. Holloway) on his maiden speech, which was delivered with the confidence that we associate with people who make television programmes. I am glad that he paid tribute to my former hon. Friend, Chris Pond. I only hope that it was not my visit to Gravesham during the election campaign that resulted in the hon. Gentleman being elected.

My first inclination about ID cards is that I am sort of in favour of them. In principle, I do not see them as a major intrusion on our civil liberties, although some of the claims that have been made for them seem somewhat exaggerated, including those relating to the constraints that the cards might place on terrorists or on organised crime. At the very most, they might represent an inconvenience, and probably only a minor one. I cannot see what impact they would have at all unless they were compulsory.

One of my other concerns is about compulsion. We have been told that the cards cannot be made compulsory unless there is a vote in favour in both Houses. However, as I read the Bill we could be asked by the Government to vote to make it compulsory for certain categories of people to carry an ID card, but not for others. As a believer in equality before the law, I could not support a law that would oblige some people, but not others, to carry the card. That would be quite unacceptable.

Similarly, as I read the Bill—I might be wrong—it would be possible for a public body to make a rule that one had to produce a card to receive its service. Therefore, whatever the national theory might be, people at the local hospital or library would be able to say, "Well, it's compulsory round here." Again, that seems unacceptable.

Dr. Palmer: Will my right hon. Friend give way?

Frank Dobson: No, I need to make progress and other Members want to speak.

It is not the issues of principle that are a problem but the practicalities and costs. Sadly, as I have listened to Ministers talk about the Bill I have become less convinced about the practicalities and the costs, whether the system would work, and the security and safety of the database on which the system would run. Perhaps it is my Yorkshire background, but my principle concern is about costs. We must aim to get value for money and we must remember that whatever is spent on the ID card system cannot be spent on anything else. The cards will

be paid for either by the taxpayer from general taxation or by what amounts to a special tax levied on those who want to be card holders. That is just the cost of the card.

The costs of the rest of the system—the verification process, the scanners and readers, and the hordes of people who go round installing them, following up, mending them and running the system—will undoubtedly have to be met by the taxpayer, either local or national. What would be the costs of all that? Estimates are, to say the least, many and varied. I do not challenge the integrity of Ministers and their advisers who have come up with the lowest estimates, as it was obviously a position of integrity to say that the estimate used to be £3 billion and now it is approaching £6 billion. Equally, I do not doubt the integrity of the opponents of ID cards, who have come up with the highest estimates. With respect to all those who have come up with estimates, however, they are not estimates but guesses, and even the lowest guess is an awful lot of money.

It is a major function of a freely elected Parliament and its Members to control the raising and spending of taxpayers' money and to see that it is well spent. Information technology is an area of grotesque failures, delays and overspends. That is not confined to the Home Office, this Government or the public sector—there has been scandal after scandal across the board, probably because all concerned in making the original estimates are reduced to being dependent on such serial fantasists and failure-mongers as EDS, Siemens and others who have messed it up.

It might be that £6 billion—the latest official estimate—would be well spent, but is the ID card system the best way of spending the marginal £6 billion of Home Office money? If it is spent on that, it will be £6 billion less spent on more police or improving the immigration service. At £6 billion it might be a bargain, but if it is in excess of that there will be less and less value for taxpayers' money. Any excess has a double cost—it is not just the extra money spent on the ID cards and system, but that there is then less to spend on other things. If the excess is to be met from the Home Office budget, the currently intended investment in the police, immigration services and so on will be reduced. If it comes from the overall Government budget, we will have to face all sorts of cuts as a result of reductions in intended spending. That will mean taking away money from hospitals, clinics, schools, transport, environmental improvements, overseas development or making sure that our troops are properly equipped.

I could not support the Bill tonight unless it contained a provision for the Government to come back to the House—which is responsible for the raising and spending of tax—every six months to give us an up-to-date estimate of the costs. There should not be any problem if things are going well, and if things are going badly we would have the opportunity to say, "Cut the losses, we are not going to spend any more on this project." Were that to happen, we would have the opportunity to stop throwing good money after bad. Therefore, I cannot support the Bill tonight.

7.5 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a pleasure to follow the right hon. Member for Holborn and St. Pancras (Frank Dobson) who has made a cogent case against many of the practical aspects of the Bill.

One thing that is clear is that the Identity Cards Bill is not, as the Home Secretary would have us believe, a gleaming, new Labour modernising measure. I make no apology for reminding the House that it is a shop-soiled, tired old measure that had been hawked round Whitehall for many years before the Government even came to power—proposals for a compulsory, all-singing, all-dancing identity card with biometrics. It was then, and is now, a solution looking for a problem. When we tried to examine how effective it would be at solving the potential problems, we found that the police said that they rarely had any problem in identifying suspects, only in proving that they were guilty. We also found that terrorists normally conceal their intentions rather than their identities; that benefit fraudsters normally misrepresent their circumstances, and that less than 2 per cent. of benefit fraud is due to identity fraud. Furthermore, all illegal immigrants can—most do once they come into contact with the authorities—apply for asylum, at which point they must have an identity card at present, complete with fingerprints on it. At that point, of course, they become exempt from deportation until their asylum claim has been resolved—if ever.

Therefore, the identity card would not help with any of the problems that it is put forward to help unless, possibly, it were made compulsory for everyone to have one and the police were empowered in particular to stop people who they thought looked or sounded foreign to identify whether they had identity cards or were possibly in the country illegally.

The Government say that things have changed since those days, and that they now have support from officials in Departments, the police and unnamed figures in the security services. That should be no surprise—Government employees are paid to support Government policy, and it is particularly of no surprise that the Government found people in the security forces who will say that the proposal is a good thing, as they were the people who told us that there were weapons of mass destruction in Iraq. Indeed, when I tabled questions trying to identify which of the agencies and who in the agencies endorsed Government policies, I found that the Government were very reluctant to give the identities of the people who are so keen to have us reveal our identities to them—I suspect, of course, that the person is John Scarlett, but that is in the privacy of this Chamber.

The real test of whether Departments find the identity card useful is whether they are prepared to contribute from their budget to funding the proposal for a compulsory identity card system. Clearly, none is prepared to contribute, which is why the entire cost is to be borne by the ordinary citizen and user, who will eventually be compelled to have it, and certainly required to have it if they want a passport. We also know that the costs will rise. They have already risen, and the one thing that I learnt in Government is that the projects that are most vulnerable to running into difficulties and overrunning on cost are those with more than one user and client Department. This one has at least half a dozen user and client Departments. We know that the Government abandoned a project that I initiated—the pathway project for a benefit payment card. After saying for two years that it was going splendidly, they finally said that they had to abandon it because they could not reconcile the conflicting demands of Post

[Mr. Peter Lilley]

Office Counters and the Department for Work and Pensions, which were jointly responsible for it. If they could not reconcile the demands of those two bodies, how will they reconcile the demands that will arise when half a dozen different Departments seek to make the system work for their needs?

Let me give another concrete example. In America four years ago, Congress mandated the FBI and the Department of Homeland Security to reconcile their different systems for collecting and computerising fingerprints. Four years and $40 million-worth of expenditure later, they can transfer the fingerprints of only 2 per cent. of people entering the United States so that they can be compared with and checked against the FBI register. It still takes a month for a new terrorist suspect identified by the FBI to be fed across so that they can have their fingerprints taken and be checked against anyone entering the country. So we know that these systems are very difficult and costly to get right. If America cannot get them right, even with its huge expenditure, there is no reason to suppose that we will find it easy to do so. This card has been said by some to be a plastic poll card, but it could be Labour's modern-day ground nut scheme. Either way, it will cost a lot of money and will probably achieve very little.

In addition to the involvement of a multiplicity of Departments, the Government have moved from prime reason to prime reason as to why they are introducing this measure. Before the election, the prime reason was combating terrorism. Incidentally, when the Government introduced their proposed entitlement card—as it was then called—and listed the 10 uses to which it would be put, they did not include combating terrorism. That was not thought a practical and useful thing to do. But if this card were really going help in combating terrorism, would we wait until 2013 to make it compulsory? We would surely want to do so now, just as ID cards were introduced immediately in the second world war. If this card were really going to help in identifying and checking out potential terrorists, would we not include within its provisions the 24 million people who come here every year on a visa for business purposes or as tourists for a short-term stay—at least, that is what they say when they enter the country—rather than excluding them from any requirement to have one?

It is true that some years ago, when considering the terrorist problem in Ulster, I suggested that identity cards might be helpful, but I was persuaded by the powerful argument of the security forces to the effect that—contrary to what the hon. Member for Belfast, East (Mr. Robinson) said—any benefits that they would derive in terms of combating IRA terrorism would be greatly offset by the problems they would face in enforcing compliance were a minority of the community to resist the use of ID cards. That is a problem that we may well face if we try to introduce this measure, particularly given that—as we now know, and as the Government acknowledge—its principal purpose is to deal with unlawful terrorism. That is certainly the principal demand of the public.

The general public mistakenly believe that most members of ethnic minorities are immigrants, which is not true—of course, most of them were born here and have British nationality—and that most immigrants came here illegally, which is not true either: most came here legally. The general public therefore believe that the police need to have the power to compel people to have these cards about their person at all times, and to have the right to stop and question anyone who looks or sounds foreign, in order to get them to justify their presence in this country. I find that abhorrent, and I am astonished that that there is any Member in this House who does not find it abhorrent that our fellow citizens, just because they are a different colour or have a different accent, could be constantly required by the police—and will be, ineluctably, if this measure is on the statute book—to justify their presence in this country, simply to satisfy the mistaken belief on the part of many people that such a requirement will help to control illegal immigration, which it will not.

This is a fundamental change in the relationship between the citizen and the state. Such a change has only ever been introduced in countries that had authoritarian, fascist or communist Governments. It has never been introduced in a country with a common-law system, and I hope that we will not set the appalling example of adopting that system here today.

7.14 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): Many Members who have spoken today have expressed concern about the civil liberties aspect of the Bill. I propose to ignore that and to deal with what concerns me, as a practical Yorkshireman—namely, the practical and political issues. This Bill is unnecessary. It sets up a system that will not work, will not achieve its stated objectives and will cost us a fortune. Apart from that, there is nothing much wrong with it.

What I am concerned about is the Bill's impact, which is beautifully timed. Its provisions, along with their damaging consequences, will be introduced just as the Labour Government—the force for progress in this country—go into the next and the subsequent elections. The compulsory element will be introduced at the subsequent election, but in reality, it will be introduced before that. Anyone who wants to renew a passport or a driving licence, or anyone who the Secretary of State deems shall be compelled to have an identity card, will have to have such a card. So although the scheme is said to be voluntary, it is in fact already compulsory. The Bill is like "super dome". It involves massive expenditure that is timed to ruin the election prospects of a Labour Government whom we want to carry on so that they can continue with their programme of social reform.

Like the dome, identity cards seemed like a good idea at the time, but the dome has proved to be disastrous. I suppose that that is how things work in a presidential system. The source of such ideas is Downing street, where the Prime Minister is surrounded by a heavenly nimbus of cherub geniuses, fluttering in the blue skies that always hover over Downing street. Up comes an idea, lights flash, thunder rolls and the idea is unveiled to an excited world. "I know", they say, "Let's have identity cards. It's a big measure that shows that the Government are active. It will appeal to the police and the Home Office." Of course, the police and the Home Office are obsessed with people control. Indeed, they would implant all children with chips at birth if they could.

Such ideas appeal to Home Secretaries, who have a career to think of, after all, and who want to be promoted out of being Home Secretary so that they do not have to face such issues any more. Now that we have the idea, all that we need is a problem for it to solve. That is where the doubts begin.

Mr. Love: Does my hon. Friend agree that the combination of escalating costs and compulsion is likely to cause public support for identity cards, and perhaps for the Government, to evaporate?

Mr. Mitchell: I agree entirely. The Government are now attempting to keep down the estimated costs so as not to frighten people. Each time the estimate increases, public support for the Bill falls. When the true costs are revealed, support will vanish entirely and turn into a negative.

As I said, it is when we have to search for a problem for this ingenious little measure to solve that the doubts begin to appear. The Government are not now saying that it is intended to deal with terrorism. It certainly did not do so in Spain or in the US. If people can come here for three months without being required to have an ID card, that will be the time to commit any acts of terrorism. ID cards will not deal with questions of entitlement, because only a small part of benefit fraud involves stealing someone's identity. I note that, interestingly, there is no difference between the crime rates and benefit fraud rates of the four European countries that do not have ID cards, and of the rest, which do. That suggests that ID cards are a minor matter in that respect.

ID cards will not even deal with identity fraud, which is trumpeted as their main purpose. We are told—shock horror!—that £1.3 billion-worth of identity fraud is committed each year, and that there are enormous difficulties in terms of clean-up. In fact, that is a myth. The Government have lumped together the figures for stolen credit cards, stolen cheques, money laundering and various other crimes that have nothing to do with identity fraud in order to produce that figure. The Gilligan article in last week's *Evening Standard* put the true cost of identity fraud at £150 million, not £1.3 billion.

We are told that introducing ID cards is an international obligation, but it is not. We shall have to change our passports to comply with European and American decisions, but there is no international obligation to impose an identity card. In any case, it seems to me that if we are following an international trend, which we are not, the sensible course would be to let other countries go ahead, watch their mistakes and implement our own system to avoid them. That is not necessary, however, because no one else is doing it.

The purposes are unreal, but the damage that will be inflicted is very real indeed. The costs will be enormous. The Government estimates keep going up and will go up again. The current estimates are going up even before anything has happened, and they are bound to increase further. The LSE estimate of the costs, which varies between £10.6 billion and £19.2 billion, with a median of £14.5 billion, seems to me to be far more accurate.

Mr. Hogg: Is there not an additional element in the cost, which has not been taken into account? Other parties have made it plain that they will not implement the scheme. That being the case, either the contractors will impose a very high penalty cost in the contract or there will be a very high premium—neither of which have been allowed for by Government Front Benchers.

Mr. Mitchell: That is absolutely true, and I am grateful to the right hon. and learned Gentleman for putting that point, which he omitted from his own speech. I entirely agree with him, and each escalation of costs will mean increasing loss of support for the whole scheme.

Several speakers have pointed to the dilemma between "must have" and "must carry". There is no point in having "must have" without having "must carry". One will surely follow the other as night follows day, but the Government are now telling us that they will not have a "must carry" rule because it will affront middle-class opinion. There are some who want identity cards for other people but not for themselves, just as we all want discipline imposed on other people's children but not necessarily on our own, and there is a danger that that section of opinion will be affronted.

Of course the cards will be made compulsory to carry. What is the point of having an ID system that allows people to respond to police requests to produce the card by saying, "I am sorry, but I do not have the card with me"? It sometimes happens to me when I forget my pass and I am sometimes asked to report to the police station tomorrow morning, and I disappear into the night—or, in the case of Grimsby, into the sea. The one will follow the other.

Lynne Jones *rose—*

Mr. Mitchell: About 20 per cent. of the population do not have passports. They prefer to take their holidays in Yorkshire—very sensibly, as it is the most beautiful part of the whole world—and they do not have passports. What are we going to do for them? Are they to be forced to have a passport that they do not want and an identity card with it, and are they to be charged for them?

What about the huge underclass of people who sleep rough, people who move house and flit around, people who are just not traceable, people who stay out of the way of authority? What will happen to them? Are we going to employ bounty hunters to go out and hunt those people down in order to force them to have a passport? If we make the ID card free for such people, it will increase the charge levied on other people enormously. It will be a very expensive operation gathering all those people together in a shuttered van, so they do not know where they are going, and taking them to a treatment centre to force them to be fingerprinted, to have a retina scan and to accept all the joys that the rest of us will already have faced. It is just not conceivable that everyone can be forced into this scheme.

The scheme in any case has huge holes in it. It certainly runs against EU free movement directives and it will not apply to Irish citizens. I could also mention the risk of technical failure. People will lose their cards, just as I keep losing credit cards. I have even had passports stolen from my car. What will happen when people lose

[Mr. Mitchell]

their ID cards? How will they be replaced and at what cost? About 40 per cent. of the London population changes address every single year, which is incredible. No one particularly wants to leave Grimsby, but I can understand why people want to move out of London. Massive numbers of cards would have to be changed on that basis.

What of the failure of verification? We read from Home Office reports that verification proved successful in dealing with 96 per cent. of Irish scams, 69 per cent. of facial verification cases and 81 per cent. of fingerprint frauds. It is a cumulative process, but there are bound to be people for whom the system will not work. The LSE report estimates that new cards will be necessary every five years—the Home Office estimates every 10 years, as people's irises change with age and as the fingerprints of people who do heavy manual work change. People like me will be subject to regular requirements to have a new scan.

It is all very well saying that technology will improve and eliminate all those problems. If the technology changes, the whole database will have to be changed because wholly new records will be required for the new technological system.

Many hon. Members have already alluded to another obvious difficulty—the possibility of cock-ups. This will be the biggest such technical project in the world, involving listing, registering and recording three basic elements of our personality, plus a photograph. Just think of the potential for the sort of cock-ups that we have already seen in the child benefit system, the national health computer system and so forth. What a feast the National Audit Office and the Public Accounts Committee will have after the contract is implemented.

Another problem that annoys and upsets many people is the problem of jumped-up authority. There are always people who think that, because they wear a uniform, they have a right to harass and make life difficult for people by hovering over them, demanding information and putting questions to them. I recall the problem with the sus laws, which produced very angry feelings among ethnic communities, but this will be far worse. Who will be harassed? It will be the rough sleepers, the deprived, anyone who looks odd, anyone who looks doddery, like me coming down Victoria street, anyone who is black, anyone who is coloured, anyone who looks foreign. The potential for all those people being harassed is enormously increased.

When Roy Jenkins was Home Secretary in a previous Labour Government, he was faced with an incursion of people, which was causing public reactions, so he looked into the idea of having a national identity card scheme. He decided that it offered few benefits and that it offered them at a disproportionate cost. We should take exactly the same view.

7.27 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in the House for the first time. I have the considerable honour and great good fortune to have been elected to represent Torridge and West Devon. [HON. MEMBERS: "Hear, hear".]

It is an easy task to praise my predecessor, John Burnett. He was well liked in the House; he did not parrot party dogma; he did not blindly follow the party line. In fact, he proved that the expression "a Eurosceptic Liberal Democrat" was not just an oxymoron. He and his wife Billie worked indefatigably for the interests of my constituents. She supported him loyally and ably throughout the eight years in which he represented my constituency. I have noticed, in listening to maiden speeches in the House, how it is a curious trick of new Members to refer to their predecessors as passed away or gone to another world, but John and Billie Burnett are very much with us and they are regarded, and will continue to be regarded, on both sides of the party divide in my constituency with real affection, gratitude and respect.

My constituency is said to be the second largest in England. It encompasses a large stretch of the north Devonshire coast line, from the little white town of Bideford, via towns and villages such as Appledore, Westward Ho!—the only town in England with an exclamation mark in its title—Clovelly and Hartland all the way to Hartland point. It runs on its western boundary all the way down the Tamar river from the north to the south coast of the peninsula. Eastward is the scene of scattered villages and fine market towns: Holsworthy, Hatherleigh, Tavistock, Chagford, Great Torrington and Okehampton, each with their own historic and unique character.

If I paint a sylvan and utopian scene, as my constituency may present itself to the tourist's eye, I must say that it is not wholly true. Listening to the debate this evening, I have been struck between a real incongruity between the priorities of my constituents and this Bill. My constituency faces grave problems and the communities of which I have spoken are under serious pressure.

My constituency was the epicentre of foot and mouth, and the effect of the pyres still hangs over it. Livestock agriculture, which is the backbone of the rural economy in the area I represent, has suffered blow after blow. Dairy farmers have to manage on an average wage of £2.50 an hour. Job opportunities are dwindling, house prices are spiralling, and council taxes are soaring because—I shall risk being controversial—the Government fail to understand through their local government funding formula that the delivery of services to isolated communities costs more. But incomes are low. A disproportionate number of my constituents are on fixed incomes and they can ill afford to bear the soaring costs of the council tax and water charges, which are the highest in the country, because 3 per cent. of the population have to pay for 30 per cent. of that wonderful coastline. Bovine tuberculosis is another issue that weighs heavily on the farmers whom I represent.

As I contemplated the real and genuine concerns of my constituents, I was struck by the fact that not a single letter of the between 100 and 200 letters I have received since having the honour of being elected has said that the answer to their problems lies in the introduction of identity cards. I have spent 22 years on the front line in the battle between the state and the individual. Like the hon. and learned Member for Medway (Mr. Marshall-Andrews), I have appeared in cases before the courts where the state's hand has been raised and the finger of

accusation pointed at an individual in the dock. I can say, after those 22 years, that the state does not always behave well and we who represent our constituents' interests should jealously guard their freedom and autonomy. It is only if a compelling case has been made for an invasion of that freedom that we should contemplate for a moment any surrender of any portion of it.

This Bill represents a vast expansion of the potential for control by the state over the individual. There has not been a time in peacetime when the state has been able to require an individual to notify the state authority of a change of address or to come to a specific place at a specific time, unless he was subject to criminal process and on bail. We should pause and reflect on that fact. Why should free citizens of this great country be subjected to the direction of the state merely in order to exist in our society?

I agree with hon. Members on both sides of the House who have told us that there are practical arguments against the Bill. But even if those arguments were not so strong, I say that the arguments of principle are decisive and unanswerable. That is why, on behalf of those constituents whose real problems I hope to articulate in the coming months, I shall vote against the Bill tonight.

7.35 pm

Mr. Tom Harris (Glasgow, South) (Lab): I congratulate the hon. Member for Torridge and West Devon (Mr. Cox) on his maiden speech. We could be forgiven for not realising that it was a maiden speech, so confident was his delivery. I am sure that he will have no problem in articulating the concerns of his constituents in years to come, and I wish him every success in doing so.

I have some concerns about the debate so far. Some of the arguments against ID cards, especially those from Opposition Members, have not been as measured as we could have hoped. For example, the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who is unfortunately not in his place, did a fantastic and articulate job of opposing all manner of measures that are not to be found in the Bill. On several occasions, we have heard from Conservative and Liberal Members about the threat to rights that we have held for hundreds of years, but that is not what the debate is about, as seen from outside the House. I am concerned that those watching the debate will recognise the synthetic indignation of Opposition Members for the cynical manipulation that it is intended to be, or might find that their own fears and suspicions are simply being encouraged.

ID cards are not a panacea and never will be. They will not provide foolproof defence against terrorism, identity theft and other crime, or health tourism. However, they represent a sensible and moderate proposal and will be one of a range of tools at the disposal of the Government to deal with all those matters.

The right hon. Member for Haltemprice and Howden (David Davis) mentioned that "1984" was a warning, not a textbook. As I have said, some of the contributions from Opposition Members were cynical and inaccurate. They are cynical because there is a danger of playing on the existing cynicism that the public feel toward those who govern and those who seek to govern. I make no apologies for holding the unpopular view that government is a good thing and politicians are good people. We should encourage members of the public to trust the Government. *[Interruption.]* Well, that is a proposal that will not gain currency even in this House, let alone in the country.

It is dangerous to the art of politics for us continually to encourage people to feel so cynical and sceptical of the motives of political parties, especially the two main parties that aspire to government. I do not include the Liberal Democrats in that particular criticism.

The right hon. Gentleman said, on the one hand, that ID cards would not be effective and on the other, that the Government were promising surveillance from the cradle to the grave. What is the Conservatives' main reason for opposing the Bill? Is it because ID cards will work or because they will not work? It is always a cheap political trick to raise the spectre of Orwell in comparison with Britain today. People who say that Britain is turning into Orwell's "1984" are usually those who have not read the book.

We live in a different and dangerous era, compared with any other time in our history. However, the right hon. Gentleman seems to live in an Ealing-comedy world, where we all have a cheery word for each other and the biggest threat to society comes from a plot to rob banks and turn gold bullion into ornamental Eiffel towers. I will break it gently to the Opposition: we do not live in that world. We live in a world where terrorists attempt to kill innocent people by strapping dynamite to themselves. We live in a world where criminals prey on members of the public and seek to steal their very identity.

The right hon. Member for Haltemprice and Howden said that if he had predicted 10 years ago that a Labour Government would abolish habeas corpus and trial by jury and introduce house arrest and ID cards, he would have been locked up. Perhaps that is true, but if he had suggested 10 years ago that four planes would be hijacked in America and piloted into the twin towers and the Pentagon he would presumably have suffered similar treatment.

Tim Loughton (East Worthing and Shoreham) (Con): I do not want to appear cynical, but can the hon. Gentleman explain how providing surveillance of 99.9 per cent. of the population from the cradle to the grave will do anything to avoid the terrorism or fraud by a small minority to which he is referring?

Mr. Harris: The hon. Gentleman is falling into the same trap as Opposition Front-Bench Members. The Government have absolutely no intention of providing surveillance from the cradle to the grave. That is exactly the type of allegation that finds its way into the public domain. Members of the public end up believing that kind of nonsense instead of concentrating on the content of the Bill.

Ms Abbott: The views of Opposition Front-Bench Members are a matter for them, but what does my hon. Friend have to say about the comments of the Information Commissioner, who is not a member of the

[Ms Abbott]

Conservative and Unionist party? Recently, he warned that ID cards would bring about a growing surveillance society.

Mr. Harris: I reserve the right to disagree with the Information Commissioner. The House has the right and the duty to make its own judgments, and not simply to take advice and act on information from outside. Going slightly off the point, there was a similar argument last year about information handed down to us from on high by the Electoral Commission. Do we do exactly what the commission tells us or do we make our own judgments as democratically elected politicians? We should do the latter.

We live in a world where the old certainties and securities of years gone by no longer exist. Three years ago in Glasgow, asylum seekers who had identity cards that included biometric details were hunted by the police, because they were suspected of involvement in a serious assault on a bouncer in a Glasgow club. The police could not track them down initially but they were finally apprehended at Stranraer as they tried to board a ferry for Northern Ireland using fake passports. They had disposed of their ID cards, but because they had had to give their fingerprint details when they applied for asylum, their identities were confirmed within four minutes and they were arrested on suspicion of attempted murder. As I said earlier, I do not believe that ID cards are a panacea in the fight against crime, organised crime or terrorism but we should be able to see past our party affiliations to understand that given a fair wind, the Bill will, take us some way towards beating criminal organisations.

In June 2001, 15 minutes before I took my seat in the House, I received word that a credit card and cheque book that my wife had sent me from Glasgow had gone missing in the post, and I discovered that more than £400 had been taken from my accounts in various forms. That was extremely distressing and may be why I did not enjoy the re-election of the Speaker as much as I would have in other circumstances. It was an extremely distressing and emotional experience to know that someone was pretending to be me—using my name and spending my money, although I managed to claim it back. What can be wrong with giving people a foolproof way of proving their identity? Some people have asked why we should have to prove our identity.

John Hemming (Birmingham, Yardley) (LD): Will the hon. Gentleman give way?

Mr. Martin Horwood (Cheltenham) (LD): Will the hon. Gentleman give way?

Mr. Harris: I am spoiled for choice; I give way to the hon. Member for Cheltenham (Mr. Horwood).

Mr. Horwood: One of the problems with the Bill is not the use to which it would be put by a reasonable Government—I assume that the hon. Gentleman thinks that his Government are reasonable—but the uses to which it might be put by an unreasonable Government—[HON. MEMBERS: "We have one".] I was thinking more of the party to my right. Is not half the problem that there is no guarantee or safeguard that once data have been collected it would not be abused by a future Government?

Mr. Harris: I shall not submit to that nonsense—that a dictatorship is waiting to be elected to the government of the UK. The Executive is held to account by the House and I am confident that the country can rely on that safeguard. The British public can see through the hysterical paranoia that concludes that ID cards represent some major surrender of civil liberties. They can see through the claim that issuing ID cards will mean the end of civilisation as we know it, any more than driving licences with photos or the installation of closed circuit television in our streets did.

The Government have a responsibility to deliver an affordable scheme and I know that my right hon. and hon. Friends on the Treasury Bench are aware of the public's concerns about costs. It is telling that 80 per cent. of the public were in favour of the Government's proposed ID scheme and that figure went down not when the civil liberties arguments were aired but only because of concern about costs. I can understand why some parts of the press, the Conservative party and the Liberals want to pretend that the costs are going through the roof. That is fair game politically, but they should understand that members of the public support the scheme—their only opposition is on cost. The public understand that there is no threat to British civil liberties in the issuing of ID cards and the establishment of a central database.

On 5 May, I was elected on a Labour party manifesto that supported an identity card scheme. I urge all Labour Members who were elected on the same basis to support the Bill.

7.47 pm

Tim Farron (Westmorland and Lonsdale) (LD): The opening sentence in the Library briefing on the Bill states:

> "Identity cards existed in the United Kingdom during the two world wars, but there has been no national scheme since."

That innocently sums up why the Bill must not go further in its passage through the House. ID card schemes, if they are to exist at all, are features of times of war and national crisis. This is not a time of war, no matter how much the Government may tell us otherwise.

In February 2002, the then Home Secretary said in this place that the terrorist attacks on the United States of 11 September 2001 gave impetus to the ID scheme. However, the current Home Secretary concedes that that does not stack up, as the 9/11 hijackers used their own names and the Madrid bombers all held legitimate ID cards. Of course, it is plausible that the terrorist attacks in the US and in Spain could have been avoided if there had been greater investment in the security services of those countries: for instance, on additional policing. The lesson that a more security-conscious Government might have learned is that additional resources are required for those matters rather than spending a fortune on a dangerous piece of gesture politics.

Last week, in Kendal in my constituency, I met senior police officers who told me that at times they have insufficient resources to tackle antisocial behaviour and

serious disorder problems. I merely juxtapose that state of affairs with the Government's commitment to waste billions of pounds on a flawed ID card scheme so as to indulge their authoritarian instincts. The Government are prepared therefore, to coin a phase, to be soft on yobs and put at risk the safety of hard-working families in order wilfully to take their eye off the ball and indulge their authoritarian instincts, as I have said.

The ID system would fundamentally and irrevocably change the traditional British model of policing from a community-based approach to a data-driven approach. The ability of the police to win trust from communities, especially minority communities, would be undermined severely. The effectiveness of on-the-ground policing would be damaged in return for no benefit whatsoever.

This unjustified and dangerous shift in culture is acknowledged at the highest level. We have already heard the comments that the Information Commissioner has made about the national identity register, but he also commented a little earlier that

"the introduction of such a register marks a sea change in the relationship between the state and the individual."

In the same article in which he made that warning, he made additional warnings about function creep, which is a sore point for the Government, and they keep reassuring us that function creep will not occur. At this point I remind Members of the House that the last ID card scheme, scrapped in 1952, was set up with the stated intention of providing identity checks with regard to no more than two functions of the state, and despite those assurances, and during peacetime, by the time the ID card was abolished the number of functions had expanded to 39—under a Labour Government.

We are told, I am sure sincerely, that the ID card scheme would not allow for records to be kept on details of religious belief, political affiliation, sexuality, trade union membership, racial origin or other such inappropriate information, but do I really have to remind the House that Parliament cannot bind its successors, as my hon. Friend the Member for Cheltenham (Mr. Horwood) just pointed out? What we are being asked to agree to in the Bill is the not-so-thin end of an authoritarian wedge.

Let us for a moment envisage a Government more authoritarian, intrusive and control-freakish than this one, and let us imagine what they might do with a ready-made ID card scheme. I am not talking about some unlikely, nightmarish totalitarian regime. Labour MPs might just care to contemplate the ways in which the democratically elected Conservative Government of the 1980s might have used an ID card system to police the enforcement of the poll tax, or in reaction to the coldest period of the cold war, or indeed—most chilling of all, perhaps—how they might have dealt with the "enemy within" throughout the year-long miners' strike. That exercise should fill genuine Labour Members with dread and send a shiver down their spine, and yet here we are, with Labour MPs currently prepared to sleepwalk into an attack on traditional British values and liberties.

It is entirely appropriate to question the Government's authority and democratic legitimacy in introducing the Bill in the face of mounting evidence of the scheme's ineffectiveness, expense and threats to traditional freedoms. The Government must acknowledge, however uncomfortable it makes them feel, that, manifesto pledge or not, 64 per cent. of the British people voted against the present Government, and whether they like it or not, to impose this vast change to our civil culture is at best dubious in the light of that; so to take this illiberal and transparently populist step at all is bad enough, but to do so despite mounting costs and mounting evidence of the impotence of ID card schemes is at best downright sinister.

The Government have spent the past two days investing their energies in rubbishing university academics. No doubt the Home Secretary wishes that the national identity register was already in place, so that he could simply rub out the professorial ranks of the London School of Economics—people who are clearly enemies of the state, and who had the audacity to conduct this most impressive and comprehensive body of research on the ID card scheme and its likely costs, efficacy and impact.

The recent LSE study shows, as we have heard, that the reality of the calculation of the costs of the scheme is in excess of £10 billion and anything up to £19 billion. We have heard no credible rebuttal of that calculation from anyone on the Labour side. The Government are nevertheless, to give them credit, adamant that the LSE is wrong and that others—such as the IT consultants Kable, who put the likely costs at about £15 billion—are equally wrong, but the Government cannot come up with a fixed figure themselves. The official cost to individuals of £93 per head is, we are told, "merely indicative".

The irony is that at the same time as the Government are attempting to attack the credibility of the independent LSE research, they are confidently telling us, on the basis of the flimsiest of evidence, that the economy loses £1.3 billion a year on ID fraud. That is just one of the many reasons that they are giving to explain the need for an ID card system.

The official rationale for the ID card scheme may change week by week, but as we have just heard from the hon. Member for Glasgow, South (Mr. Harris), the underlying theme of that rationale remains the same in each case. That rationale is one of fear—the propagation and incitement of fear. The politicians with authoritarian instincts need to sow and cultivate fear amongst the public in order to contrive public acquiescence in or consent to their authoritarian schemes. And yet we have already heard that even George Bush, Junior, who followed the 9/11 bombings with some of the most outrageous attacks on the fundamental personal freedoms of United States citizens, was persuaded that an ID card scheme was a reactionary step too far.

We have already heard about the flaws in biometric testing, and we heard earlier about Cambridge university academics who apparently backed the Government. Well, I can quote one: Professor Ross Anderson of Cambridge university, who clearly does not. He stated:

"I am afraid that iris scanners like fingerprint scanners are liable to be defeated by sophisticated attack".

A system where it is possible to identify innocent people incorrectly or it is possible for persons of malign intent to get around the scheme is worse from a security point of view than having no scheme at all.

[Tim Farron]

Perhaps the Secretary of State will be so good as to inform the House of the current percentage of citizens in this country who do not register on the electoral roll. He will no doubt agree with me that the enormous majority of those people omit themselves from the register for no nefarious reason whatever—not through any attempt to defraud or attack anyone, but for a range of legitimate explanations. Included in that group are people fleeing domestic violence, people with transient lifestyles, people with frequently changing personal information, and people suffering mental illness or addictions, all of whom may fear, or simply never get round to, disclosing their information. The same groups will approach the ID card scheme with even greater anxiety. Many will rightly or wrongly simply not register and will disappear, incapable then of accessing basic public services, removing themselves from civil society.

In closing, I wish to appeal to right hon. and hon. Members' concerns about traditional British freedoms, their concerns about excessive costs, their concerns about the integrity and the reliability of the technology, and their concerns about the effectiveness of ID card systems based on all the available evidence. But if that does not work, I seek to appeal to naked self-interest. Based even on the Government's own understated account of the costs of the scheme, we could have 12,000 additional police officers for the price that we are being asked to pay for ID cards. A quick breakdown of the figures shows that 50 of those new police officers would be in my constituency of Westmorland and Lonsdale. Those new officers would be able to provide enhanced protection to Ministers when they make occasional visits to their Lake district second homes.

7.57 pm

Glenda Jackson (Hampstead and Highgate) (Lab): I rise to support the amendment that stands in the name of my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones), myself and other honourable colleagues. The hon. Member for Westmorland and—

John Bercow: Lonsdale.

Glenda Jackson: Thank you. The hon. Member for Westmorland and Lonsdale (Tim Farron) mentioned the last time that identity cards were required in this country; that was during the second world war. One of the first calls that my office received this morning was from a constituent, urging me to vote against the Second Reading of the Bill and telling me that one of the happiest days of her life was when she tore up her identity card, when it was no longer obligatory to carry such a card in this country.

Reference was made earlier in this debate by, I think, the shadow Home Secretary, to the bravura performance at the Dispatch Box of my right hon. Friend the Home Secretary, and I would not argue in any way with that assessment. It did, however, bring to my mind one of those archetypal characters that used to feature regularly in American western films. I am not referring to John Wayne. I am referring to the character that would usually arrive in a small town in a covered wagon, covered with illuminations and pots and pans. There was almost invariably a ukelele accompaniment to this character's arrival on the scene.

Stephen Pound (Ealing, North) (Lab): John Carradine.

Glenda Jackson: My hon. Friend is giving the name of the individual—probably the actor, not the character. I am not prepared to argue with him on that point. However, the character would emerge from the back of his covered wagon and proceed to entertain the town, with the basic premise that he had something to sell them, and what he had to sell would cure all their ills. It would take many guises, but it became known as snake oil. I am not in any way imputing to my right hon. Friend the Home Secretary one atom of the huckster spirit that was so true of that archetypal character, but enormous claims have been made for the efficacy and the absolute necessity of the introduction of ID cards in this country. They will apparently reduce, if not obliterate, crime, acts of terrorism and benefit fraud, but no one—either from the Dispatch Box, or one of my hon. colleagues who have shown that they support the Bill—has been able to tell us how.

I do not mean to rehearse the arguments that have been put about the excessive cost that it is imagined the introduction and maintenance of such a scheme would involve. Neither side of the argument has proved its case. Most markedly, the Government have not proved their case on the costs. My concern about the Bill is what it has always been: it seems to carry the potential for the most disruptive introduction of a scheme that could have the most desperate effects on our society.

The Home Secretary when he was at the Dispatch Box was somewhat sanguine when the issue was raised about who would be most markedly targeted when, if the scheme is ever introduced, it inevitably becomes compulsory to carry an identity card. He dismissed the allegations that certain sections of our society would be over-targeted in that way. He referred to the old sus laws, but they were discredited for the simple reason that a group in our society was consistently targeted. It was made up of those in the Afro-Caribbean society in my part of the country. They tended to be young men below a certain age.

One of the most recent reports after the changing of the old sus laws to the new sus laws, which caused the Home Office no small disquiet in itself, showed that about 18 per cent. of young Muslim men were being over-targeted in that way. The Home Office's own racial assessment of the introduction of the Bill caused disquiet, particularly among the Afro-Caribbean group of people who were part of that consultation exercise, and concerns were expressed by those in the Muslim community who were also part of that consultation exercise.

If, indeed, the Bill comes into force, and it is deemed that a certain section of our society must carry ID cards—as my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) put it so succinctly—it will create in this country, which I thought believed in equality under the law, a group of our fellow citizens who will be, in effect, second-class citizens.

I am also concerned about another issue that has been raised during the debate: the issue of opting to carry an ID card, the expense of doing so and how that will impact so deleteriously on some of the poorest in our society. The Home Secretary gave no clear definition of what concessions—if concessions there will be—would enable the poorest in our society to carry an ID card if they wish to do so. My concern is not only that people will be excluded from doing so on the grounds of finance, but that they will be excluded by the purveyors of services.

We all know of service providers who do not want certain people as customers, and it will be all too easy for those providers to turn to someone and say, "No, I'm very sorry. We cannot possibly allow you to open this account"—or to borrow money, or to buy this, that or the other—"unless you can produce an ID card." So already, even before the cards become compulsory, we are beginning to see sections of our society being divided off—in that instance, probably based on what is believed to be their economic validity. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) mentioned rough sleepers, who have only just been allowed to vote without needing a settled address. They were excluded from the democratic process. There will be other kinds of exclusion.

It is undoubtedly the case in my opinion, Madam Deputy Speaker—*[Interruption.]* Oh, I do apologise, Mr. Deputy Speaker. You enter with such quietness. It is inevitable, unless the Bill is kicked out, that ID cards will become compulsory. Hon. Members have touched on the issue of ID cards being used to guarantee the provision of services. The national health service has been mentioned, and it was pooh-poohed that anyone in an A and E department would refuse to treat an emergency case because they could not produce an ID card. I entirely agree with that view. It would be anathema to anyone who worked in the health service to refuse to treat someone in an emergency because they could not produce an ID card, but are we seriously accepting that there would not be some jobsworth or someone in that A and E department who was waiting to be treated who would not comment on the fact that an individual had a different coloured skin, spoke in a language that the other person did not regard as being English, or was in some way different? I can hear them now saying to the doctor or the nurse, "Does that person have an ID card? If they don't, you should not treat them before you treat me." *[Interruption.]* An hon. Member from a sedentary position said "rubbish", I think. I am afraid that hon. Member ignores the realities of human nature.

If it is presented to the people of this country that the greatest dangers come from outside, from people who are different and from people we do not know, we build on that essential part of human nature that is perfectly prepared to point the finger at any kind of difference and say, "Not them first, but me." There are real dangers for the breakdown of social cohesion.

It seems to me that we in this country, up to this point, have a pretty proud record in the way that we have managed to absorb, to adapt to, to welcome and even to celebrate our differences. The Bill will absolutely begin the erosion of that. It will do nothing to improve our security, either internationally or nationally, or to reduce home-grown crime. It will most certainly give breathing space to those who have always wanted, and will always want, to create social difference. It will break down many of the things that this country should value and that we as a country in an increasingly competitive world will need to support even more in the future.

8.7 pm

Mr. Douglas Carswell (Harwich) (Con): I begin my maiden speech by honouring those who preceded me as Member of Parliament for Harwich and Clacton: the late Sir Julian Ridsdale, who sat for the constituency for many years with his wife, Paddy. I say "with his wife, Paddy" because, as hon. Members who remember Sir Julian will know, Lady Ridsdale was part of everything that he did. Julian and Paddy could not have been kinder or more encouraging to me as a newly selected candidate.

Ian Sproat, who came after Sir Julian, was also wise and generous with his advice. Ivan Henderson, who represented the seat until the last general election, was perhaps less generous with his advice about how I could win the seat, but he was generous in his commitment to the people of Harwich. Hon. Members on both sides of the House will recognise that he was a very diligent, good and committed Member of Parliament for his constituency.

Today, my constituency is a mixture of seaward settlements and their Essex hinterland: the port of Harwich; the lovely town of Frinton-on-Sea; Walton-on-the-Naze; Jaywick; Dovercourt; my home town of Clacton-on-Sea; and the villages of Thorpe-le-Soken, Kirby-le-Soken and Holland-on-Sea—a corner of England that is fiercely English. Never in my life have I felt as proud and as honoured as I do now, speaking for the people whom I represent in the House.

I rise to make my maiden speech in this debate today because my constituents are deeply worried—I am sure that many hon. Members' constituents are, too—about the rise in crime, in violence, in the yob culture and the rise in what one might term uncivil society, and because we are told so often that ID cards are the answer. As this is my maiden speech, I shall leave it to others to question whether they are the answer. I leave it to others to question whether they will make us more secure and whether the high cost of the scheme might mean that they are a plastic poll tax. Instead, I wish to make a broader observation: if the House is today debating the merits of a scheme that will make the citizen more accountable to the police and the agencies of the state, one day I hope that it will also debate measures to make the police and the state more accountable to the citizen.

Over the past generation or so, under Governments of both parties, crime and disorder have risen. ID cards are not the answer to reversing that trend because making people more answerable to the police is not the solution. Perhaps part of the answer lies in making the police more locally accountable to communities such as Harwich and Clacton.

Having been out on the beat with the local police in my constituency, I have been impressed by their professionalism and dedication, yet all too often they are upwardly accountable to a distant bureaucracy. They are all too often unable to take effective action against crime and the yob culture because they answer to a remote and unaccountable elite. Remote elites set

[Mr. Douglas Carswell]

the police's priorities, local people take the rap and no one is accountable—that is how our local communities are policed today. In the place of more upward accountability—identity cards—we should have a policy based on the principles of downward accountability; decentralisation and localism; and direct democracy—not identity cards. We should let local people elect their police chiefs and let local police chiefs set their police priorities. Why stop at policing? Let us localise control of, and accountability for, a range of public services. We should take power over key public services from central quangos and put it in the hands of local people.

I am surely not alone in having detected during the recent election a sense of frustration—alienation, even—on the doorstep. Hon. Members on both sides of the House must have come across the same thing. On doorstep after doorstep, people felt that elections did not matter any more. They thought that no party could clean up their hospital, get their child into a preferred school, or stop mobile phone masts being built in their neighbourhood. That should worry us all. Turnout remains low because people are increasingly giving up on the democratic process. If we want to be respected in this House, we should make elections matter again.

Local communities should be able to determine their priorities for policing, planning and education. My constituents should be able to determine the future of the local library and the Leas school in Clacton, the location of mobile phone masts on the seafront and the number of GP surgeries in Holland-on-Sea. No less importantly, those who make decisions should be directly vulnerable at the ballot box. Elected representatives have lost ground to unelected officials at every level and, if I am honest, that has happened under both Labour and Conservative Governments. A consequence of that process is that elections are becoming increasingly perfunctory.

Powers have steadily leaked from the House: sideways to the judges, downwards to the regional assemblies and agencies and upwards to Europe. At every level, the elected politician who is accountable to the electorate has lost ground to the unelected functionary, but that must stop. My constituents have had enough of being told what to do by remote elites. They want to make their own decisions. They want those who run their local policing, primary care trust and schooling to be more, not less, accountable to them. They want local decisions to be in the hands of local people.

I shall do my best to articulate those concerns and desires in the House. I am here to argue for the devolution of powers outwards and downwards. We need to reverse the flow of powers that has taken place over the past 30 years from town halls to Whitehall and from the citizen to the state. We should take powers away from the greatest quango of them all, namely, the European Commission.

I shall spend my time speaking and voting in the House for a wholesale decentralisation of powers from the remote elites to the people—from the unelected and unaccountable to local communities such as Harwich and Clacton. I shall speak up for an independent Britain trading with Europe and beyond, yet governing ourselves once again, living under our own Parliament, making our own laws. It is a privilege to have the opportunity to begin that today.

8.15 pm

Dr. Nick Palmer (Broxtowe) (Lab): I congratulate the hon. Member for Harwich (Mr. Carswell) on his eloquent speech. I am sure that we will hear a great deal more from him in the months and years to come. I think that we all appreciated his kind remarks about his predecessor, whom we all remember with affection.

My hon. Friend the Member for Great Grimsby (Mr. Mitchell), who is temporarily out of the Chamber, suggested that the concept of ID cards came from No. 10 Downing street and he compared it with the millennium dome. I did two things soon after my election in 1997, when I was as new a Member as the hon. Member for Harwich: first, I urged the Government to drop their support for the Conservative dome project—that did wonders for my career, I must say—and secondly, I introduced a Bill to provide for identity cards. I am happy to say that that Bill had the unqualified support of the Liberal Democrat spokesman, the hon. Member for Winchester (Mr. Oaten), so I am sorry that he has temporarily changed his mind.

We have had an interesting debate because, if I understood it correctly, both the Conservative party and the Liberal Democrats gave a commitment to repeal the scheme if they were to win the next election, regardless of the money spent by that point and the benefits still to come. The hon. Member for Winchester demanded an assurance from the Conservatives that they would stop the scheme and I understood that the shadow Home Secretary, the right hon. Member for Haltemprice and Howden (David Davis), gave such an assurance, so we look forward to returning to that point.

Both in this debate and in the wider debate outside Parliament, there have been amazing examples of misleading or misunderstood information, so I would like to nail a few of the myths that we have heard. The right hon. Member for Hitchin and Harpenden (Mr. Lilley) said that no country had introduced identity cards unless it had a communist or fascist regime. I hope that when he leaves the House he will write a book about the communist regime in Switzerland or the fascist regime in Switzerland—that would be quite a revelation.

This week, *The Sunday Telegraph* devoted an entire editorial to the Government's proposition to make it compulsory to carry an ID card, but that is simply not the case. The right hon. Member for Haltemprice and Howden, in his restful speech, suggested that it was necessary to make it compulsory to carry a card if identity was to be checked. He appeared to be unaware of the fact that the police can check fingerprints against the central database, regardless of whether the card is carried. In fact, that is the main point of the database, which can be used to check someone's identity, irrespective of whether the card is carried.

John Hemming: Is the hon. Gentleman aware that the police national computer already records biometric data? The hon. Member for Glasgow, South

(Mr. Harris) referred to the current situation, in which someone's identity can be verified using biometric data on that computer.

Dr. Palmer: That is right, but at the moment it applies only to people who have previously come into contact with the police. Under the Bill, however, if I tell the police that I am the hon. Member for Broxtowe they should be able to verify immediately whether that is the case or whether I am fibbing. Making that possible is in my interest, and it is also in the interests of the police and society.

The hon. Member for Winchester said that people who were authorised to verify identity could see whether the person whose identity was being verified had had an abortion. The right hon. Member for Haltemprice and Howden even suggested that a virus could be introduced into the system. Both Members envisaged a programmable personal computer but, as someone who has worked in IT for most of my life, I would like to see the fingerprint reader that enables someone to introduce a virus. They do not understand how the system will work in practice.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) was genuinely concerned that free public services would pre-empt the vote on compulsion. He suggested that even though we are unlikely to decide to make the scheme compulsory until the next Parliament—obviously, we will do so only if the scheme has been successful—schools, clinics and other public services such as benefit offices could require the production of an identity card or proof connected to the identity register before agreeing to offer their services. He said, very reasonably, that it would become compulsory for people using those services to have an ID card, even if we do not vote on such a measure in this Parliament. Clause 15, however, states that public services can require such checks only on people who have been specified under clause 6 following votes in the Commons and the other place. An affirmative vote is needed in both Houses before any group can be required by any public service compulsorily to produce an ID card to confirm their identity.

The purpose of the card is simple—it is to verify that we are the person we claim to be—no more, no less. It is proposed to store data that are already recorded in passport and other databases and link them to biometric data so that we can see that that information relates to ourselves, and not to someone else. I have campaigned for that for a number of years, ever since I first introduced the proposal in Parliament. I have rarely met constituents who do not regard it as a good idea in principle. They do not see a problem in using basic information already stored about us to verify that we are who we claim to be.

Mr. Love: When I talk to my constituents about the issue, they think that it is generally a good idea. When I mention that it will cost them, however, they rapidly go off it.

Dr. Palmer: I agree with my hon. Friend. That summarises public opinion at the moment. Most people think that it is a good scheme that makes sense. They do not have much patience with the civil liberties argument, but they do not want to spend a lot of money. I am glad that the Home Secretary said that before the Bill leaves the House we will get firm figures on the likely maximum cost, as the public need to see those figures.

John Bercow: The hon. Gentleman seemed quizzical about, not to say astonished by, the idea that the Opposition parties might commit themselves to scrapping the scheme, even though the Government would have spent a substantial sum of money on it. Given rising costs, flawed technology and our perception of the erosion of civil liberties, why is he surprised by the idea that we might commit to abolish it? The reduction ad absurdum of his argument is that no successor Administration should contemplate changing anything because their predecessors have spent a lot of money wastefully and ineffectively. To me, that is where his argument breaks down.

Dr. Palmer: The hon. Member for Buckingham (John Bercow), with his customary acuity, detected my quizzical look. That had nothing to do with the principle that he suggested. It was purely because I have observed the random movements of Conservative policy on the issue over recent months and I am sceptical whether, if the scheme is seen to be reasonably successful, the Conservatives would go into the next election pledged to scrap it. I do not believe it, but we shall see.

The Criminal Records Bureau checks are a good example of what we are trying to achieve. At present, if I wish to teach in a school in Nottinghamshire, I have to apply to the CRB for evidence that I do not have a criminal record relating to offences with children and that I really am who I claim to be. That check generally takes about a month at present, although in the past it took longer. If I, as a supply teacher, then decide that I want to teach in Derbyshire, I have to do the same thing again and the CRB goes through the hoops again to verify whether I am who I claim to be. I am reliably informed that the CRB reckons that if identity cards were available it could process the application in a tenth of the time. Most of the time taken up by that check is to check whether I am who I say I am and whether I have an alias under which I might have a criminal record.

The introduction of ID cards is not some sort of revolutionary step. It is not a dictatorial step. It is merely a way of making life easier for the potential teacher, for the school that wishes to employ the teacher, and for society.

Mr. Marshall-Andrews: Will my hon. Friend give way?

Dr. Palmer: I am awfully sorry. I am running short of time. I apologise, as my hon. Friend offered to give way to me.

I want to be careful not to make exaggerated claims. Hon. Members have argued that ID cards would fail because they did not prevent the Madrid bombing. I do not claim that they are some sort of magical device that detects evil impulses in people's brains and alerts the police. ID cards are a practical tool that helps to identify the victims and the perpetrators, as they did in Spain. I do not claim that the police will never again make a mistake in identification. I say only that it makes sense to make that very much rarer than it is now. If one has

[Dr. Palmer]

been accused of something that someone else has done, it will be very much easier to demonstrate that one is not the person involved. That could save many hours at the police station.

I am also not saying the proposals are perfect. For example, the key issue for society is not the card, but the database. As we are not requiring people to carry the card, we can reasonably make it optional to take it, thereby reducing the cost and the perceived intrusion. Let us say that people must register, but whether they have the card is up to them.

The proposal is not a solution to everything. It is, however, a sensible, practical idea to make our society simpler and safer. It is also a manifesto commitment on which we were elected less than two months ago. Let us do it.

8.28 pm

Stewart Hosie (Dundee, East) (SNP): I have listened to the whole debate. I listened particularly carefully to the Home Secretary. He laid out five sections in his speech, including Big Brother society, the costs, the benefits, and the success or otherwise of IT projects. What he failed to do, other than in passing in the section on benefits, was to address the justifications in the Bill—national security, the prevention and detection of crime, the enforcement of immigration controls, unauthorised working, the provision of public services and so on. As was said by the hon. Member for Hampstead and Highgate (Glenda Jackson), who is not in her place, the Home Secretary failed to explain how identity cards or the register would assist in any of the stated reasons for the introduction of the measure.

On national security and terrorism, several hon. Members have made the point that most terrorists use their own identities. Most of the bombers on 9/11 used their own identities, and some of those responsible for the attack in Madrid had the requisite residential documentation, while others simply used tourist visas. There is no intention—at least not in the short term—to butcher the UK tourist industry by requiring all visitors to have biometric visas. Intelligence gathered both here and abroad will identify terrorists and stop terrorism, not ID cards.

The ID card system would make terrorists who want to come here from abroad more dangerous. If people have forged, fake or stolen papers that are sufficiently robust to allow them entry to the UK, their papers are likely to be sufficiently robust to allow them entry in the future. In that case, issuing an ID card would turn an illegal, fake or false identity into a real, legal one, which might allow terrorists to operate with impunity and to move unhindered because they can prove to the authorities that they are who they claim to be. Far from tackling terrorism and offering more security, ID cards offer a false sense of security and much more complacency.

On the prevention of crime generally, including identity theft, the Government have made no convincing argument about how ID cards will stop crime, catch criminals or prove cases, unless a criminal leaves their ID card propped up on the mantelpiece after they have stolen the DVD player. ID cards will not deter a single criminal, unless the Government envisage allowing the police to stop people who they believe are acting suspiciously or engaged in a crime and request to see their ID card, which would, of course, require the card to be mandatory. There are two flaws in that argument: first, the police presence on the ground would be the deterrent, not the request to see the ID card; secondly, if the police have reasonable suspicion that someone is about to commit a crime, they already have the powers to stop and question them. If the Government were serious about tackling crime, they could take the £500 million for ID cards in Scotland, which is a conservative estimate, and employ 1,500 police officers on the beat for the next 10 years.

On identity theft, *The Economist* reported on 2 June that the cost of fraudulent applications for bank accounts and cards, the hijacking of bank accounts and other such crimes is £36.9 million. Earlier today, we heard that benefit fraud related to identity theft costs some £50 million, which, as the hon. Member for Great Grimsby (Mr. Mitchell) has said, is a long way away from the £1.3 billion that the Government have previously quoted. *The Economist* stated that the Government's figure includes

"the cost of dealing with immigrants who arrive in Britain with false documents."

ID cards would not stop one single person arriving in the UK with false papers or reduce the cost of addressing the issue by a single penny.

John Hemming: There are 73 million live national insurance records, but only 46.5 million people in this country are entitled to have a national insurance record, and the Government have confirmed in a written answer that they have no idea how many fraudulent records are in the register. Does the hon. Gentleman agree that that evidence indicates that we cannot trust the Government to run an identity database?

Stewart Hosie: A number of IT projects and databases need to be cleaned up. I am not sure about the figures—the hon. Member for Birmingham, Selly Oak (Lynne Jones) has said that the national insurance issue is being addressed—but the evidence does not suggest that the central data register for ID cards will be more accurate than the national insurance register.

I have mentioned people entering the country with false papers, which leads me to the Government's third stated justification for ID cards—the enforcement of immigration controls. It is worth noting that immigration into the UK is a managed process. I fear that this is not about immigration at all, and that the real concern is about asylum seekers, refugees and those who may not be here legally. The Government may wish to tell people fleeing oppression and seeking sanctuary that the UK is a less charitable and a harder place in which to seek protection and help. The introduction of ID cards may force such people, some of whom understandably arrive here afraid of authority, officialdom and Government, further into the recesses of society, working in the illegal economy, living in unregistered and overcrowded housing, and away from the people whose services they most require.

Most worryingly of all, as several right hon. and hon. Members have suggested, this might be about finding people who should not be here by searching out those

who do not have an identity card. I am not suggesting that this Government would do that, but a future Government might, and we should look at unintended consequences. In such circumstances, I suspect that white MPs will not be stopped and asked for their identity cards, nor will New Zealand students working in bars in Islington, but the black and Asian populations of our towns and cities may be stopped and have their identity cards requested time after time. The sus laws have already been mentioned. This legislation has the potential to set race relations back by decades.

The fourth justification for identity cards is that they will prohibit unauthorised working or employment. The gangmasters who employ casual labour on a cash-only basis do not ask for national insurance numbers, pay through the pay-as-you-earn system or issue P60s, and they will not do biometric tests based on identity cards. Indeed, the idea that every building site, cockle beach or berry field will be equipped with a portable biometric reader is laughable. This is an unenforceable law. It will place additional costs and burdens on businesses that already comply, and do precisely nothing to stop the unscrupulous who already breach, break or ignore every employment law.

The final justification for the introduction of ID cards relates to the efficient and effective provision of public services. Having listened carefully to what was said throughout the debate, it appears to me that this is not about the efficient and effective provision of public services but about the restriction of access to public services for those who are not entitled to them. That may not be an unreasonable thing for the Government to do, but how can it be more efficient or effective to ask for an identity card—with the accompanying cost of a biometric reader in every hospital ward, doctor's surgery, dentist's surgery or well woman clinic—than simply to request the national health service number with which we are all issued at present?

I know that time is short, so I will come to my summary. SNP and Plaid Cymru Members believe that the Bill is flawed and will not work. It will provide no extra security—indeed, it may lead to a false sense of security, with fake identities becoming real and legal ones. It will not stop one single terrorist; intelligence, not identity cards, will stop terrorists and terrorist acts. It will not stop a single criminal or a single crime; it would require more police, not plastic cards, to do that. It is a disproportionate response to identity theft, and will do absolutely nothing to reduce the cost of those arriving in the UK with false papers. It risks forcing refugees, asylum seekers and other vulnerable people into the darkest corners of society and away from those whose help they need most, and it risks setting back race relations in this country by decades. It is an unenforceable law as regards bad and illegal employers who exploit their workers and ignore the law, and it is not about providing efficient and effective public services but about restricting access to them.

In short, we believe that this is a bad Bill that would make bad and unenforceable law. It has the potential to be 18 Greenwich domes or a giant poll tax. When it goes belly up, it risks pulling the Government down with it. I do not want to be partisan because there are honourable men and women on other Benches who may join us in the Lobby.

The Bill risks being an expensive folly—a white elephant, which, at £5 billion, £10 billion, £15 billion or £18 billion might bleed the taxpayer dry. There is passionate opposition to the proposals in all parties. I say to the Government: withdraw them and think again. It is a bad Bill, which will be bad law.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): As many hon. Members are still seeking to catch my eye, in accordance with the Order of the House of 26 October 2004 on shorter speeches, it has been decided that, between 8.40 pm and 9.40 pm, the limit on speeches will be reduced to five minutes.

8.40 pm

Mr. Neil Gerrard (Walthamstow) (Lab): The more I consider the Bill, the more I am convinced that the problem is not the identity card but the database that lies behind it. It is inevitable that registration on the database will become compulsory. There is no prospect of that not happening. Once that has happened, it is again inevitable that it will become compulsory to produce the card, at least for specific processes, such as access to some public services. We are then likely to reach the point when it is compulsory to carry the card. If that happens—I believe that it will, in those stages—it will fundamentally change the relationship between the individual citizen and the state. If is futile to pretend otherwise.

We are being asked to approve the specification, commissioning and construction of probably one of the most complex databases that has ever been built. There is no international experience of building such databases. The system will involve three biometrics and a large population database, which will be used for a multiplicity of purposes. Hon. Members who spoke both in favour of and against the proposals have missed some of the points about what the construction of such a database means.

The database will be different from those with which we have already had to deal. Many of the databases that exist now do not have to cope with the problem of people who do not want to be on them or who fail to register for them. Some people will not wish to register on the proposed database on principle. Others, such as those with chaotic lifestyles, will fail to register. As we have heard, that also applies to people with some disabilities.

Millions of non-British citizens will be on the database. It must be permanently accessible from a wide range of public and private locations for it to perform any of the functions that are claimed for it. It is simply not comparable with existing systems.

If I were asked to propose an organisation to produce such a structure, the Home Office would not be high on my list. There has been no proper explanation of the construction of the database. If we are to have a clean database, which will be the gold standard, I want to hear how the information will be validated and verified. I have not heard that. I want to know how the enrolment centres will conduct the process. If faulty data appear from the beginning, the database cannot work from day one.

[Mr. Neil Gerrard]

The Bill is a recipe for disaster. Some of the myths of what it is supposed to achieve have already been discussed this evening and I shall not repeat them, because of lack of time. They include tackling terrorism, benefit fraud and identity theft, which is not clearly defined. Claiming that the answer to identity theft is an identity card is a non-sequitur unless one specifies what identity theft involves and how it is carried out.

We are told that the police want identity cards. I do not believe that they do. They want a national database, which will become a national biometric register. That will allow them to check up not only on those who have been involved with crime previously but on anyone on whom they wish to make any sort of check. These are ill-thought-out proposals.

I have no objection to passports and biometrics, but I want the database to disappear. I cannot support the proposals otherwise. It would be possible to produce an ID smartcard that would perform a good many of the required functions and would also be much more secure. Any IT expert will tell us that putting all our eggs in one basket will not work.

The Government have said that they want to listen and want to talk to us. The programme motion does not convince me of that. If we are really to have a debate about the evidence and the detail of that evidence, we cannot do so in three weeks.

There is no way I can vote for the Bill, and I will certainly vote against the programme motion, because it will kill the possibility of the genuine debate that we ought to have.

8.45 pm

Damian Green (Ashford) (Con): Last year, in the last Parliament, I voted against the Bill content in the knowledge that I was doing the right thing, but a little unsettled in the knowledge that I was rebelling against the party line. Tonight I will vote against the Bill, still content that I am doing the right thing and delighted that I am supporting my party, since wisdom has settled on our Front Bench.

Some Members have objected to the Bill on principle, others on practical grounds. In the short time available to me, I want to begin with the principled objections. The longer we consider this proposal, the less attractive it becomes.

As a Conservative, I regard the defence of individual freedom as a core part of my political beliefs. As a lover of freedom, however, I am genuinely delighted that a distaste for state intervention is also present on the Government Benches. I hope that the rebels on those Benches keep their nerve. I encourage them to do so not from our partisan viewpoint, but from their long-term partisan viewpoint. Let me take them back to the 1980s. The phrase "poll tax" has been used frequently this evening. It would certainly have been embarrassing for Lady Thatcher's Government in the short term had the Conservative rebels succeeded in voting down the poll tax then, but it would have been a great deal less embarrassing than what happened to that Government after they failed to vote it down. I urge potential Labour rebels to hold their nerve. Not only will they be doing the right thing; they will be doing their party a favour in the long term.

The hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) said that he could not understand what freedoms were being lost by the Bill. The main principle at stake is the basic relationship between the citizen and the state. Democracy makes the state answerable to the citizen; compulsory identity cards do the exact opposite. The freedom that is lost is the fundamental freedom to have a private life, because of the national identity register. It is not necessary to be a criminal to want some privacy. I agree with Liberty, which says

"the Identity Card Bill . . . represents a fundamental shift in the state's attitude to individual privacy."

Liberty believes that we are moving away from a position where information is not given to Government and shared among Departments unless that is necessary

"towards one where it will be shared unless there is a reason not to".

That is indeed a fundamental shift, which I think breaks a fundamental principle.

It has been said that no other common-law country has an identity card scheme. That is extremely important. With a written constitution and a code specifying what is legal and what is not, it is possible to protect privacy. Under a common-law system, once it is assumed that it is a Government's right to have private information about citizens, we have lost an essential protection that all citizens of a democracy deserve.

It is clear that in practical terms the Government cannot be confident that all the problems that they say the identity card will solve will indeed be solved, but we need only look at the history to see that Ministers have for ever been adept at providing ridiculous reasons for why identity cards are necessary. The House of Commons Library note tells us that, in the 1950s, just before identity cards were abolished, Ministers argued that one of the main reasons for retaining them was the prevention of bigamous marriages. I am not aware that the 1950s saw a huge upsurge in bigamy as a result of the abolition of identity cards, and some of the scares being put forward by Ministers today are about as valid as that one.

The final word should go to Mr. Harry Willcock who, in 1951, challenged the police and took his case to court. He argued that he should not have to carry an identity card, and he won. The Lord Chief Justice said that compulsory identity cards would

"tend to make people resentful of the acts of the police and incline them to obstruct the police instead of assisting them."

Those words showed great wisdom. We should also reflect that the last word of Harry Willcock—a difficult man who liked to argue—was "freedom". That should be our final word when debating this wretched proposal.

8.50 pm

Mr. Mark Todd (South Derbyshire) (Lab): I do not intend to debate the principles of this proposal. ID cards are commonly used in democratic countries, and the Bill will give the Government no more access to personal data than they already hold through items such as passports and driving licences, and significantly less than most of us freely give to banks, supermarkets and insurance companies.

Several hon. Members *rose—*

Mr. Todd: No, I shall not give way.

My interest is in two aspects of the Bill. The first is whether the benefits of the project have been set out with sufficient clarity and quantified in such a way as to justify its progress. The second is how Parliament is to scrutinise the commissioning, delivery and management of a complex, high-risk, IT-enabled change in the way in which we relate to our Government and the services that are sold to us.

In a project of this scale, I would certainly expect to see a business case published that identified the gains to be achieved—quantified and valued where possible—and showed how they would be committed to and delivered. I have yet to see such a document. We have seen that various parts of our public service endorse the concept of ID cards, but that is insufficient in itself. They must own and sign up to the process changes, improved outcomes and efficiencies that they say can be delivered. We have noted, for example, that the Criminal Records Bureau will apparently greatly increase its efficiency following the introduction of ID cards. That could readily be quantified and valued, but we have yet to see it done. There have also been statements about the reduction in identity fraud. Again, it should be possible to quantify the potential gains and to analyse whether they relate to the costs and scale of the project. Those gains must then be assessed against the project's apparent costs and disbenefits, and a mechanism needs to be set out that will allow us to measure whether we are achieving those goals, and to monitor them in the future.

I would also expect to see an objective risk analysis of the project. I accept that the technologies used, and the process changes that are likely to be made, are achievable in themselves. However, delivering all of them within one project carries huge, multiplying risks. The Office of Government Commerce's gateway process has been far from perfect in preventing flawed projects from proceeding, yet it is probably the best mechanism available to date. I would strongly suggest that the OGC's reports be made public through this process, so that we can examine for ourselves whether the project is likely to be deliverable.

Associated with that is the recognition that any project of this scale and complexity should have defined boundaries in terms of cost, budget and functionality. It is all too easy to persist with a stricken project, rather than risk criticism by taking the correct course of cancellation. I would expect to see a definition of how the inevitable problems of this project will be appraised, and of how they will be assessed against reasonable criteria of success and failure.

Finally, I would expect a robust management strategy to be defined, both at political and project management level. Fatal to most projects, and certainly to this one, would be a creeping specification, involving changes part-way through. Politicians tend to wish to please, and we cannot predict what will be asked for in the future. Projects of this scale, however, need to be run with narrow-minded dogmatism to ensure that they are delivered at all. I see a huge contradiction between that and the likely longevity and complexity of this project. I would therefore like to see a public recognition in Government of the discipline required to achieve anything at all.

Some of my expectations might be met through changes in the Bill. There are strong arguments for an affirmative vote prior to the commissioning of the project based on a far clearer understanding of what is being attempted than has been offered up to now. I would urge an amendment on those principles. I hope that my right hon. and hon. Friends on the Front Bench can produce a more resilient and fact-based case during the Bill's passage. I thus reserve my support on the future stages of the Bill. Tonight's vote, however, is on the principle of the Bill, and it will have my support then.

8.55 pm

Mr. William Cash (Stone) (Con): The hon. Member for South Derbyshire (Mr. Todd) referred to principles. Let me give him a principle as expressed by Abraham Lincoln:

"Those who deny freedom to others, deserve it not for themselves."

When the Bill was debated in the previous Parliament, I, my hon. Friend the Member for Ashford (Damian Green) and about nine others marched through the Lobby with clear conviction and certainty to ensure that we registered our protest against the principle of the Bill. Second Reading, of course, is about the principle behind the reasons for producing it. On the previous Second Reading, I produced a copy of a book by George Orwell called "Nineteen Eighty-Four", and directed it to the attention of the Home Secretary. It refers to the "Ministry of Truth", in which, George Orwell says, "Freedom is slavery". That is what lies at the heart of these proposals. *[Interruption.]* I hear the Minister of State say "Rubbish" from a sedentary position. I heard him generating a certain amount of hot air and rubbish on the subject on the "Today" programme this morning or perhaps yesterday—it was in the past 48 hours.

The fact remains that the Information Commissioner has stated that the Bill has within it the seeds of a surveillance society. In the previous debate, I referred to the fact that he said that it represented a sea change in the relationship between the individual and the state. I have heard the Home Secretary rubbishing the Information Commissioner today. I heard another Labour Member talking about hysterical paranoia. I would like to call their attention to the fact that the Information Commissioner holds a status by Act of Parliament that is no less than that of the Clerk of the House of Commons, in that he cannot be removed from office unless there is an address by both Houses of Parliament. That is a very high status. Those such as the Home Secretary who are wont to describe the measured remarks of the Information Commissioner in such terms seem to be getting dangerously close to fulfilling the axiom of Abraham Lincoln's to which I just referred.

Over the past year or so, we have also noticed that this new Labour Government, in contradiction to what the Prime Minister used to say, have moved increasingly down the route of greater inhibitions on individual freedom. The Civil Contingencies Act 2004 is a good example, as it contained a provision that would enable the Government to repeal any Act of Parliament if they declared an emergency. In 1995, when the Prime Minister was in opposition, he said:

"Instead of wasting hundreds of millions of pounds on compulsory ID cards as the Tory right demand, let that money provide thousands more police officers on the beat in our local communities."

[Mr. William Cash]

He stands condemned by his own statement.

The ingredients of this Bill include the making of statutory instruments, so when we pass the principle but do not provide for the enabling provisions, we do not know what we are letting ourselves in for. This Bill, despite the perambulations of my party on this subject—I am glad that they have now been resolved in the direction in which we originally put the case—should be condemned. No other common-law country of any note has such a provision, including the United States. This Bill is a disgrace, and it is Big Brother coming back again.

9.1 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): In view of the time, I have torn up the civil liberties peroration with which I was hoping to entertain the House. I will limit that aspect of my speech to pointing out the undoubted fact that the bite of this Bill lies in its secondary, not its primary legislation. It would be as well if Members understood—I am sure that they do—that under the Bill's secondary legislation, it is possible for the Secretary of State to extend the information put on the register in respect of any individual to include any matters relating to security and crime. If he does so, people will not be able to access it, because the Data Protection Act 1998 will not allow them to do so. That is all that I have to say on civil liberties, apart from endorsing in general terms the rather florid comments of the hon. Member for Stone (Mr. Cash), whom I have the honour to follow.

I shall attempt to give the House the benefit of my research into one of the few things about which I know a little: crime. I was entertained—indeed, I was exercised—by the claim, which has been made on many occasions, that so-called identity theft costs the nation £1.3 billion a year. I thought it would be interesting to find out how that figure was arrived at, and I want to give the House the benefit of my research in the very short time available.

I first went to the Government document that accompanies the Bill. It does not deal with this issue in detail, but it does contain the following short passage:

"A few items stolen from a rubbish bin such as utility bills . . . can lead to huge financial losses as well as distress and inconvenience for victims in putting their records straight."

It continues—without providing a source—by pointing out that

"On average victims can spend 60 hours restoring their records."

I find that difficult to believe. I know that British Telecom and British Gas, for example, can be tiresome when people try to get their records put right, and that one can spend a lot of time listening to music on hold. But I found the claim that one can spend two weeks, on continental time, trying to put one's records right as a result of documents being removed from one's dustbin an unconvincing start to my research.

However, things got worse when I finally found the document on which this figure is based—a Cabinet Office document called "Identity Fraud: A Study". It deals with various aspects of crime that, it is said, cost £1.3 billion. The overwhelming majority of that figure is said to come from the following types of crime: VAT fraud, which accounts for £215 million; credit card theft—of course, that cannot be affected by this legislation—which accounts for £215 million; and money laundering, which accounts for some £400 million.

I am delighted to say that I know a little about the form of money laundering to which that study refers. It involves people going into bureaux de change in order to launder money. All such crimes referred to in that study—£400 million-worth—are actually a limited number that were committed in 2001. Generally speaking, what happens is that somebody goes into a bureau de change bearing a rucksack or haversack, in which is contained approximately £1 million in old notes, mainly Scottish. That person then offers them to the owner of the bureau de change, saying, "Please may I have new guilders?" He is then given the guilders in exchange for the notes.

That is the crime that it is hoped will be completely laid to rest by identity cards. I invite hon. Members, in the short period I have left to speak, to speculate and contemplate what happens when Jock or Bill arrives with his million quid. The owner of the bureau de change—Chinese, probably—says to him, "I see you are back here again with another million pounds of Scottish notes for which you want guilders". He will then say, "Any chance of an identity card?" No? Well, it would be all right with an ID card, but if the person in question said no, I invite the House to say that that would not be the end of that particular transaction.

Of course, it gets worse when we contemplate serious blue-collar crime. It is envisaged that the scheme will do something to prevent armed robbery. Well, I can contemplate the cashier who has the misfortune of looking at a balaclava and a shorn-off shotgun. I dare say that some would have the sang-froid at that moment to say, "Please may I see your identity card?". I have known some very stupid criminals in my time, Mr. Deputy Speaker, but very few who could be prevailed upon to give themselves away as a result of this legislation, which I greatly hope we will not pass tonight.

9.6 pm

Mr. Ben Wallace (Lancaster and Wyre) (Con): I do not intend in the short time allocated to discuss the ideology behind the ID card, but rather to bring some of my experience to the debate. I worked a number of years in the field of counter-terrorism, both in the armed forces and alongside some civilian agencies. I am well aware of the issues that people face in fighting terrorism on the ground. Until recently, I was the director of the Government's own organisation, Qinetiq—the Defence Evaluation and Research Authority, as it used to be known—specialising in the area of security and ID. That organisation is one of the biggest research bodies in Europe, so it knows a thing or two about technology. It is currently working on a number of projects in the Home Office.

There are a number of flaws, Mr. Deputy Speaker, in the proposals, the first being the idea that this ID scheme will help deal with terrorism. In my experience, we never caught any terrorists on account of ID cards. We caught them as a result of surveillance, human intelligence, intercepts and perhaps the good use made of knowledge about the community in which the terrorists lived.

One real problem that the Home Office seems not to recognise is that terrorists adapt to weakness in the system, and this system is weak in a range of

areas—tourist visas, for example. Last year, 24.7 million tourists visited the UK. For a terrorist organisation, the weakness is obvious: no longer need they use citizens of the UK as their operatives to attack the UK, as they can import them from outside. That is precisely what they have already done across the world. There are 850,000 Irish citizens resident in the UK and we have already heard that the scheme has nothing to do with them.

Failures overseas are relevant. According to a Labour Member earlier, ID cards helped to catch the culprits after the suicide bombing in Madrid. In fact, they did not: it was mobile phone intercepts that caught them and helped the Spanish follow up what happened. The Home Office also needs to be aware that a suicide bomber is a one-time weapon. It was first seen in train attacks in Chechnya, which is where al-Qaeda's specialty originated from. *[Interruption.]* Perhaps Home Office Ministers should do their homework before shouting from a sedentary position. Terrorists adapt to weaknesses in the system: that is the issue, and the proposed ID card will not solve the problem.

About 50 per cent. of terrorists currently identified or languishing in jails in Northern Ireland have no previous record whatever. They have never had any trace to terrorism, so they will be able to use their new ID cards with impunity. Clearly, 50 per cent. of the people who have been involved in terrorist attacks will have free rein and the Bill will not solve the problem.

The second flaw relates to the prevention of identity theft. It is true that the database will allow an identity to be stolen only once, but the system needs to be set up and 48 million people will have to join the queue to get an identity card. So when the Under-Secretary presents himself and the database says, "I'm sorry, but a Mr. Burnham is already on here. Here are his biometrics and birth certificate, and a passport has been issued"—incidentally, the birth certificate is the real flaw in the identity system—the Under-Secretary will say, "Well, I'm Mr. Burnham. I'm the genuine article." The fundamental change is that the onus will then be put on the genuine Mr. Burnham—the innocent individual—to prove to the state that he is the real thing, not the person who stole his identity the year before.

People will be able to steal others' identities under the proposals, and I can all but guarantee that in the next 10 to 15 years a terrorist attack will be perpetrated by someone with a new identity card. When that happens, the Government's scheme will be exposed as an expensive, flawed scheme that has also taken away many liberties.

The issue of privacy is also important. What the Government have not said is that the database will log every question put to it. The pattern of questions put to it will indicate exactly who someone's doctor or dentist is.

9.11 pm

Kali Mountford (Colne Valley) (Lab): I have a copy of the "LSE Identity Project Report", and I found in it part of a sentence with which I agree. It states:

> "The success of a national identity system depends on a sensitive, cautious and cooperative approach involving all key stakeholder groups".

I have found little else in the report with which to agree, so I shall examine that proposition.

First, the approach must be "sensitive". Some people may believe that the scheme may be prejudiced in its operation and that their identities will be sought unnecessarily and unfairly, because of either their ethnic origin or something else different about them. However, we hear such points from the Conservatives who, even after the Stephen Lawrence report, refused to accept that there was institutional racism in the police. The best way to deal with institutional racism that would lead to people being identified because of their race, religion or other difference is to address the problems in the police force, not to deny people the opportunity of identifying themselves properly and having proper protection before the law.

Secondly, the approach must be "cautious". Well, the Bill is extremely cautious. The cautious, incremental approach to introducing the measures means that some hon. Members are running away with the most imaginative ideas we have seen for some time. Indeed, their suggestions are matched only by the imagination of my constituents who want to extend the Bill ever further to include even more situations in which their identity should be protected or produced. For example, people in my constituency want medical records to be included in the database. I do not think that that is a good idea, and it is not covered in the Bill. It is important that when somebody requires medical treatment, they receive it on presentation before a doctor and are not asked questions at that point, especially in an emergency. However, it is proper and appropriate that people should pay for the services if they are not entitled to them.

While my constituents let their imaginations run away with them, so do several hon. Members. Some of the suggestions I have heard today are extraordinary descriptions of the powers in the Bill. The power to protect us from the things that hon. Members have mentioned are included in other legislation that the House has already accepted. Moreover, the protection that we seek in being able to have our identities checked already exists, irrespective of the Bill.

Thirdly, the approach must be co-operative. Many of the surveys that have been conducted show that many people would be most co-operative with the legislation, because they desperately want to see it introduced. The co-operation must be between the service providers and the recipients, and that would be improved if both could be certain that they were receiving what they were entitled to. That co-operation must be built up, and we must use secondary legislation, which some people disparage, at appropriate stages to ensure that if we extend the powers of the Bill to other services, we provide the type of entitlement card that we envisaged originally.

The next point was about key stakeholders, and for me, they must be my constituents. They have told me loudly and clearly, in numbers, that they support the principle of an ID card—more than 90 per cent. of them responded to a survey. They also told me to exercise caution, as there are some cost issues that they do not like. They want certainty about the costs and, especially, that people who cannot afford a card will be properly protected. I ask Ministers to ensure that the provisions of the Bill will allow for exemptions and exceptions to payment. We should do that carefully and considerately and look at how we can reduce or discount payments for

[Kali Mountford]

people who cannot afford them. If we do that, we shall build up the safeguards and give my key stakeholders the protection they want.

9.15 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): There are so many reasons to oppose the Bill that unfortunately I do not have time to go through them all. However, I have almost complete confidence that the costs will spiral out of control so I put my faith in that. Watching the Prime Minister equivocate about the costs yesterday was our best practical hope, because with spiralling costs comes unpopularity and the Government are sensitive to unpopularity.

We know of the Government's record on IT failure, but I warn hon. Members that IT success brings equal challenges. We have only to consider the congestion charge. I have been dealing with hon. Members' complaints about that, and a simple glitch in the congestion charge is enough to tie anyone up in correspondence for months trying to get it sorted out.

I want to talk about the disproportionate discrimination that will be wrought by the Bill on ethnic minorities. After five years as a member of the Metropolitan Police Authority, and chairing the stop and search implementation panel, I have seen that disproportionality at close range—the stops under section 4. Under other legislation, DNA can be taken from innocent people and four times as many black people as white people have their DNA held. That is how legislation that starts innocently ends up.

I have seen what happens when there is a voluntary principle in legislation; for example, when the police are looking for a criminal whose DNA has typed them as a member of an ethnic minority. In south London, 1,000 voluntary DNA samples were wanted for a horrendous crime, but when 125 people refused to give DNA they received a letter telling them that their reasons for refusing would be investigated by a senior police officer. When five of them continued to refuse, they were arrested and the police were able to take their DNA, which was kept even though all five were released. That is how the voluntary principle works.

The dog whistle for me is civil liberties. The measure is a monumental raid on everything that I have grown up believing in; it is a real shift in power between the state and the individual. I am free. I want to be able to walk out of my front door as an innocent person if I am doing no one any harm. No one has the right to hold any information about me and I should not need a licence to walk out of my house.

The ID card system is quite different from border control. Yesterday, the Prime Minister seemed to be offering us "buy one, get one free", when he mixed up biometrics and the advances in technology that can secure our border controls with ID cards, but his arguments were spurious; the two things are completely different. Passports are purpose-driven, as are driving licences. If I choose to exchange information about myself for a facility that I want to use, that is fair game, but I do not want all my information in one basket; that is a charter for criminals. It is bad enough at the moment with one piece or another being subject to raids by sale. Recently there was a case of a bank member of staff selling private information. I do not think that the Government can guarantee our safety on this.

For all those reasons, I shall vote against Second Reading tonight. I urge Labour Members, particularly those Members who want a free vote and would vote against the Bill if such a vote were allowed tonight, to remember what it felt like to vote for the war and then have to face the electorate when their heart was not in it.

9.20 pm

Alan Simpson (Nottingham, South) (Lab): I do not have any problems with identity cards. I have several of them. I have a passport, a driving licence, a bank card, a credit card, a supermarket loyalty card, an NHS card and probably several others that I have forgotten about. None of these is perfect and secure and we all have our horror stories about what happens when they get stolen, go missing or get misused. But we continue to use them, for two reasons: one, because it is our choice to use them, and two, because there is an assumption that we have reasonably, or tolerably, secure firewalls between them. When I go on holiday, I present my passport but I am not asked to present the shopping list from my last visit to the supermarket. When I go to renew my driving licence, I am not asked whether my credit card can stand it. When I go to the bank, they do not ask when I last went to the doctor. The dangers in the Bill are that by putting all those information systems into one card, it creates something that is an invitation to criminals and hackers. It is a honeypot for crime. And we have yet to convince ourselves, let alone the public or even the experts, that we have the technology that would withstand that.

I will try to confine my speech to my worries about three things. A number of claims made in the Bill are unproven or just not true. In terms of the effects—in terms of tackling terrorism, crime or drug trafficking—I am very grateful to a retired scientist who took the trouble to undertake a European comparison of crime statistics on four parameters. He broke the EU 15 down into the eight that had voluntary ID cards, the four that had statutory compulsory ID cards and the three that had no ID cards. The figures are interesting. Over the past five years, the group that had the highest level of terrorist incidents and the highest rate of homicides were those that had compulsory cards. They also happened to have the greatest increases in drug trafficking and in crime. By contrast, those without cards had the lowest rate of terrorist incidents and the lowest rate of homicides, and had the most success against drug trafficking and in crime reduction.

What does that prove? Nothing. It does not make a case for or against ID cards; it just says that they are not relevant or central to tackling those challenges. In the countries that have ID cards, they have them because they are popular with their citizens. But by and large, they have their own firewalls in them. As my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) said when she was moving her reasoned amendment, the key to this is that there is separation of data storage in those systems. We could have the same ID card system here, but it would require us to undertake a commitment that the responsibility and control was going to be placed in the hands of the citizen, not the hands of the state, and that is fundamentally at the heart of my objections to the Bill as currently drafted.

I worry about the scope for what people refer to as function creep. The best example of this that I came across was in the United States, where I understand that the Bush Administration wants to introduce radio frequency ID chips to the passports of all foreign nationals. It is a great idea for the CIA; it will allow it to remotely monitor those who are there on lobbies and on demonstrations and who hold beliefs or convictions that the Administration disagree with, and it is a reflection of the sort of paranoid society and Administration that one finds on the other side of the Atlantic. It is an American thing but not a UK thing.

I thought I had better check that with the Home Office, however. I got a reply today from the Minister, who pointed out that in the UK

"The International Civil Aviation Organisation initiated feasibility studies evaluating the acceptability and implementation options for biometrics and the storage of electronic data on passports including the use of radio frequency identification chips . . . The United Kingdom Passport Service . . . has played a significant role in the development of the options and subsequent standards. The UKPS has adopted these standards within the technical design of the biometric passport.

No final decisions have been taken yet on the chip technology for ID cards."—[*Official Report*, 27 June 2005; Vol. 435, c. 1242W.]

That is the power of stop-and-search without the hassle of the stop. If we do that, we fundamentally declare war on our own citizens. With the presumptions of criminality and the right to spy, we move from the open society to the surveillance society in an insignificant, unrecognised sweep because none of these proposals has to come back to the House for primary legislation. That is why we must oppose the Bill.

9.25 pm

John Penrose (Weston-super-Mare) (Con): Much has been said this evening about the likelihood of cost overruns with a large and complicated Government IT project. My constituents are of the same opinion and are deeply concerned about the possible cost and time overruns. But I also want to speak about a more fundamental principle: civil liberties. There are two pillars that underpin our civil liberties in this country. One of them is made up of the legal brakes on the Government's use of information and on their behaviour—things such as the Data Protection Act 1998 and habeas corpus—but the other pillar that upholds our civil liberties is largely forgotten. It is the simple, practical difficulty of marshalling information about the citizens of this country.

The information that the Government hold on any one of us is scattered and incomplete at present. The simple, practical difficulty of collecting all the information together and using it for any nefarious purpose is a fundamental guarantor of the civil liberties of each and every one of us. It is no accident that, if we compare what happens in this country with what happened in East Germany, for example, before the Berlin wall came down, we would see that there were thousands and thousands of detailed files on each of their citizens. It is a facet of totalitarian regimes to hold large quantities of data on their citizens that is not shared by freedom-loving democracies, such as Britain.

So while we are right to be concerned about the possible cost overruns and the difficulties of managing a complicated Government IT project such as the ID card database, we should also be concerned about the dangers of what happens if the IT database is successful. It would, for the first time, allow Governments and other people in this country to see a unified picture of the information that is collected on each citizen. That is a dangerous precedent to set. If we had had both those two pillars underpinning and upholding our civil liberties in this country yesterday, and we choose to support the Bill today, tomorrow one of them will be knocked away. That is dangerous. It is why the Bill is unsafe, why it deserves to be opposed and why I shall vote against it this evening.

9.28 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful to the House for allowing me to take part in this important debate. There are many reasons, both of principle and of pragmatism, to vote against the Bill, but I intend to touch on only three: the politics of the Bill, its implication on issues of race and what is says for the future.

First, let me remind my Labour colleagues that it is barely two months since we won an historic third term, and we are now embarked on squandering political capital on this doomed Bill. *[Interruption.]* Even the Almighty agrees with me. It is a doomed Bill because even if thunder and lightening cannot stop it, and even if the House cannot stop it dead in its tracks tonight, we know for sure that it is doomed to overrun its budget and to spiral in costs. The scheme will experience IT failure and the Bill will not achieve any of the claims that the Government make for it. We also know that the scheme will become especially unpopular at exactly the wrong point of the political cycle. There will come a time when not one Labour MP will want to be reminded that they voted for the Bill.

I have consistently raised worries about race with Ministers and colleagues, so it is no coincidence that the Muslim Council of Britain, the Commission for Racial Equality and other organisations representing ethnic minorities have expressed their concerns about the Bill. A recent poll showed that 77 per cent. of ethnic minority people believed that they would be discriminated against under the Bill. There can be no doubt that the Bill will lead to the compulsory carrying of ID cards—and that from there it must lead to the compulsory presentation of ID cards. We know from the French experience that if we move to such a system, the number of stops and searches on black, Asian and Muslim people will rise, which will be detrimental to community relations.

One of the first issues on which I ever campaigned—without the help of the Almighty, when I was a younger and even more radical woman—was the sus laws. If Ministers understood the strength of feeling among people in ethnic minority communities about the prospect of being randomly stopped and asked to present their ID, they would think twice about the Bill. I know that the Bill will not provide for the compulsory carrying of ID cards, but that must come.

As the evening has worn on, the Government Whips have subjected several of my colleagues to their usual rough-hew methods of persuasion. However, I say to colleagues in the closing minutes of the debate that voting against the Bill would be far from betraying our

[Ms Diane Abbott]

Government or going against Labour principles, because we would be doing the Government a great service. The more the public hear of the Bill, the less they like it, so the sooner it is stopped in its tracks, the better.

9.32 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am delighted to catch your eye, Mr. Speaker, as we reach the conclusion of an important debate that hinges on the relationship between the citizen and the state and the borderline of the civil liberties that we feel able to concede so that we can live in a safe and secure world.

Many believe that the concept of ID cards should be supported because if we have nothing to hide, we have nothing to fear. The hon. Member for Nottingham, South (Alan Simpson) talked about the contents of his wallet and said that it contained several ID cards, such as library cards. However, each of the databases to which he referred is separate, isolated and low-cost and there would be limited damage if details were lost or stolen.

The Bill has the commendable aim of tackling ID fraud, benefit fraud, illegal immigration and terrorism. However, the nation becomes more sceptical as we hear more about it. We do not know the definitive cost of the scheme, so we should ask ourselves whether we will get value for money. It has been said that the police support the Bill, but we should turn the question around: if the police were given £5 billion or £10 billion—whatever the cost of the scheme will be—what would they spend it on? In Bournemouth, the money certainly would not be spent on ID cards, but on CCTV and to pay for more people to work in benefits and Inland Revenue offices because those people could combat fraud.

Hon. Members on both sides of the House have expressed concerns about the technology. The Government's trials—not the Cambridge study—show that iris scans have only a 96 per cent. success rate and that fingerprint scans have an 81 per cent. success rate. If I cut my finger or suffered a paper cut I could no longer be tracked on the system.

John Hemming: Does the hon. Gentleman share my concern about the impact of clause 6? If someone cut their finger and did not tell the Government they would be liable to a civil penalty of £1,000. Indeed, a stealth tax on shaving would be imposed on hon. Members who shaved off their beards, as they would have to pay a fine of £1,000 if they did not tell the Government.

Mr. Ellwood: The hon. Gentleman makes a valid point and shows how important it is to scrutinise those provisions in Committee.

Setting aside the costs of technology, how will the Bill help us to tackle crime and benefit fraud and, indeed, to fight terrorism? I shall focus on acts of terrorism. A number of people have mentioned 9/11 and the Madrid bombings. I take a personal interest in such matters because, sadly, I lost my brother in the Bali bombing. When my brother was killed he was carrying his passport. It was destroyed, so it would not have been of any use to anyone. The terrorists who killed him were miles away—the people who did the damage blew themselves up, so ID cards would not have helped in that situation. May I respectfully urge caution when we talk about terrorism in the House and how the Bill will help us to tackle it? I am not sure how ID cards would have helped in my situation and, indeed, in 9/11.

The hon. Member for Broxtowe (Dr. Palmer) mentioned a number of European countries that have identity cards systems. The average price of those cards, however, is not £1,900 but, in the case of Sweden, €15 or £20. The price is low because the system is extremely simple. The middle east is the only place to have more advanced systems, which aim to track people coming in and out of the area. That is the problem with the Bill—as long as we have porous borders we cannot take full advantage of the operation of ID cards.

Time is short, so I shall conclude. The Government's proposal is a costly exercise that will hamper society, not help it. They said that they would drop the scheme if it became too expensive, but what price is the Home Secretary willing to pay before he decides to pull the plug and not proceed with the proposals? The Bill is dangerous and open-ended. It does not have a clear timetable, it is based on technology that does not work, uses questionable costings and is out of touch with the people. I therefore encourage hon. Members to vote against it.

9.37 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I broadly support the Bill. Identity cards could assist with the prevention and detection of crime, the enforcement of controls on immigration and on illegal working and the fight against identity fraud. They could help to deliver more efficient and effective public services. Members who oppose the Bill have failed to base their argument on matters of fact and have succumbed to conjecture or hysteria. In the light of the debate, it would be useful to consider what the Bill will introduce: the establishment of the national identity register, powers to issue biometric identity cards, enabling public and private sector organisations to verify identity subject to the person's consent—*[Interruption.]*

Mr. Speaker: Order. The hon. Lady has waited all night to address the House. It is bad manners to be in loud conversation.

Dr. Blackman-Woods: Thank you, Mr. Speaker.

The Bill would give a national identity scheme commissioner oversight of the scheme and it would create the criminal offence of possessing false identity documents. We carried out a consultation on the Bill in my constituency. About 80 per cent. of respondents were in favour of it, but a sizeable proportion thought that the scheme would have public support only if certain safeguards were in place. I therefore urge my right hon. Friend the Home Secretary to do all that he can to ensure that civil liberties issues are addressed. People have reasonable concerns about the protection of civil liberties, so Government reassurance is necessary.

Primarily, these concerns relate to the amount of information held centrally, the security of the system, who will have access to it and for what purpose.

Everything must be done to assure people that they will get an opportunity to check their own data and correct it, that private sector organisations will be able to access information only with consent, that use by public services conforms to the regulations prescribed in the Bill, that ID cards are cost-effective and that the scheme conforms to the European convention on human rights.

Citizens Advice has set out its concerns that function creep and unauthorised disclosure should not happen; that IT systems can support the project, particularly before it is compulsory; that attention should be paid to hard-to-reach groups, described by Citizens Advice as itinerant counter-culture, those with chaotic lifestyles and those with mental health and mental capacity problems who will be affected by the legislation; that all will be treated equally; that the Act will not be used in a discriminatory way; and that there will be safeguards to ensure that it will be compatible with the Disability Discrimination Act 1995 and the Race Relations (Amendment) Act 2000. I am sure my right hon. Friend the Home Secretary and his ministerial team will be able to address those concerns.

In conclusion, ID cards could present a sensible and practical way forward and be an added tool in the fight against criminal activity. One almost has to sympathise with the Tories on the issue. They are for ID cards, then against. Their leader supports ID cards; another possible leader does not. However, the Liberals take the biscuit for uncertainty and indecisiveness. It may be worth reminding the House that the Lib Dem Home Affairs spokesman used to be in favour of ID cards, before changing his mind when it came to the crunch.

The Lib Dems' case that fraud will increase if ID cards are introduced is not proven. It is much more likely that ID cards will help to tackle identity fraud. The Lib Dems propose to spend any money saved by not introducing ID cards on providing extra police. As the public are paying for the cards, the Government cannot spend money that they do not have. It is the Lib Dems, not the Government, who have a problem with the costing. It is necessary to have a reasoned debate on the matter so that concerns can be addressed and reassurance given to the public. That is a better way forward than the scaremongering from the Opposition parties.

9.42 pm

Mr. Edward Garnier (Harborough) (Con): We have had 33 contributors to the debate and they have broadly been divided into two camps—surprise, surprise. Twenty-four have spoken against the Bill. Eight managed to speak for the Bill. One of them was the Home Secretary, whose speech, I regret to say, was characterised more by bluster than by evidence. The support of other speakers was, to say the least, qualified—I am thinking of the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), the right hon. Member for Southampton, Itchen (Mr. Denham) and the hon. Member for South Derbyshire (Mr. Todd).

The hon. Member for City of Durham (Dr. Blackman-Woods) has just made a career-making speech and I wish her well. The hon. Member for Colne Valley (Kali Mountford) also made a deeply loyal speech in favour of the ID cards scheme proposed by the Bill. The hon. Member for Broxtowe (Dr. Palmer) produced one of his unfathomable speeches, which none the less was listened to with great care. The Home Secretary produced some sparkling remarks in the course of his speech, to which I shall return if I have a moment.

Before analysing some of the points, I turn to the three maiden speakers—my hon. Friends the Members for Gravesham (Mr. Holloway), for Torridge and West Devon (Mr. Cox) and for Harwich (Mr. Carswell). Unfortunately, I was not able to listen to the speech from my hon. Friend the Member for Harwich but reports tell me that it was a powerful speech, in which he paid proper respect to his immediate predecessor, Mr. Ivan Henderson, whom I knew well as a member of the Anglo-Netherlands parliamentary group, and to Iain Sproat and the Ridsdales—Sir Julian Ridsdale represented the seat before Iain Sproat. My hon. Friend said that ID cards will not reverse crime and also spoke passionately about the need for greater localisation, on which I support him.

My hon. Friend the Member for Torridge and West Devon made a booming and powerful speech, in which he carefully described the beauties of his constituency. He was very kind, and properly so, to his immediate predecessor, John Burnett, and to his wife. He, too, said that this ID card scheme is not the answer to his constituents' prayers.

My hon. Friend the Member for Gravesham also made a powerful speech. He spoke about his constituency with care and concern and said some very kind things, which both sides of the House shared and enjoyed, about his predecessor, Chris Pond. Like the other two maiden speakers, he made it clear that this ID scheme is not the answer to his constituents' concerns.

Far too many speeches have been made for me to deal with them individually, but 24 hon. Members were deeply concerned about the Bill. This is the Government's broad case: ID cards will prevent terrorism; ID cards will prevent identity theft; ID cards will prevent and detect crime; ID cards have overwhelming public support; there is an international obligation to fingerprint or iris scan the population; the technology is available to fulfil the Bill's requirements; the implications for race relations have been exaggerated by Conservative Members and those Labour Members who disagree with the Government's case; and the costs are manageable, bearable and assessable.

The Government's final argument is to rubbish the point about the common travel area, which was raised by the hon. Member for Belfast, East (Mr. Robinson) and which they have not yet satisfactorily addressed. I have one gentle piece of advice for Democratic Unionist Members—be very careful about doing deals with a Government who singularly fail to deliver on their promises. I urge all hon. Members to consider the principles behind the Bill: are we sure that the Irish Republican Government will not have access to information in the north and in Great Britain?

A number of my hon. Friends, including the shadow Home Secretary, have pointed out that the Bill was born in error, that it will die in error and that the sooner it dies, the better. The scheme is voluntary now, but it will become first compulsory, and then mandatory, in which case we will all be obliged to carry the card—we need to worry not about the card, but about the database that underlies it. The Government do not want us to realise

[Mr. Edward Garnier]

that the Bill will not only expose every citizen's private life and private information to them and their machine, but require us to carry in our pockets not only a plastic poll tax machine, but a policeman. We do not need policemen in our pockets—we need policemen on our streets. The Government refuse to accept that point and to commit resources to deal with terrorism, crime and the many other problems raised by hon. Members on both sides of the House.

We heard from my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), the right hon. Member for Holborn and St. Pancras (Frank Dobson) and the hon. Members for Walsall, North (Mr. Winnick), for Winchester (Mr. Oaten), for Birmingham, Selly Oak (Lynne Jones), for Westmorland and Lonsdale (Tim Farron) and for Hampstead and Highgate (Glenda Jackson). They all made, in their own separate ways, broadly the same point—that the Bill will not deliver the panacea that is suggested, will not deal with identity theft, and will not prevent and detect crime. More to the point, it will exacerbate bad race relations and encourage an underclass to feel yet further alienated from the haves, while the Government try to glide over all this with a collection of truisms and platitudes.

The hon. and learned Member for Medway (Mr. Marshall-Andrews), the hon. Members for Great Grimsby (Mr. Mitchell) and for Nottingham, South (Alan Simpson), my hon. Friend the Member for Weston-super-Mare (John Penrose), the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), my hon. Friends the Member for Bournemouth, East (Mr. Ellwood), for Stone (Mr. Cash), and for Ashford (Damian Green), and the hon. Member for Walthamstow (Mr. Gerrard) ripped the Bill apart, as it deserves to be. The Bill is indefensible. Indeed, it has not been adequately defended by the Home Secretary who, in our submission, has no belief whatsoever in either the principle or the facts that are necessary to sustain the argument.

I look forward to listening to bluster not only from the Home Secretary but from the Minister of State. We are used to them blustering—they are both happy little fellows—but neither has an argument on which to stand a case. I look forward to many Members joining the official Opposition, the Liberal Democrats and others in the Lobby in defeating the Bill.

9.50 pm

The Minister for Immigration, Citizenship and Nationality (Mr. Tony McNulty): I agree with the hon. and learned Member for Harborough (Mr. Garnier) that there were 33 speeches; his sort of made 34. May I also say that we can now, with some degree of confidence, rule him out of the forthcoming leadership election?

There were a range of speeches, which were in the main well tempered and good-humoured. I am grateful to the House for a debate in which Members expressed a range of views about details in the Bill and details that are yet to be subject to parliamentary discussion. I make no apology for repeating that this is enabling legislation. There is much still to be done in terms of detail, regulations and all the other elements.

I congratulate my hon. Friend the Member for Walsall, North (Mr. Winnick) on his consistency, at least, in being opposed to ID cards; I have no difficulty with his position.

The hon. Member for Winchester (Mr. Oaten) needs to be slightly more careful in what he says, because some of the points that he made raised obtuseness to a fine art. The notion that, even if we got to the stage where cards were used for public service entitlements, a woman who chose to have a termination would be in fear of that data being on the database is ludicrous in the extreme and unbecoming of the hon. Gentleman. His point about e-documents shows no understanding of what we are doing in terms of e-borders and the legislation that will be implemented in full by 2008.

My hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) said that the project is feasible. I agree, of course, that there are further issues to be addressed; that was a theme throughout.

The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said that the provision is intrusive and that he disagrees with it. He made more or less the same speech as he has made for the past four years, to no avail.

My hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) made a very impressive speech on costs and technology suggesting that the items that we have put forward do not stack up. I simply do not agree with her in that regard, but we can have more debate on that matter.

The hon. Member for Belfast, East (Mr. Robinson) made a measured and tempered speech. The Bill does not refer in any way to foreigners or foreign Governments, but the answer to his real concern is that the Bill does not permit information to be disclosed except in the specific circumstances clearly set out in the Bill. The relevant authorities include the police, security services and UK Government Departments. Other UK public authorities may be added by order, but only public authorities under the Human Rights Act 1998—that is, only UK authorities. The Bill allows information to be passed to law enforcement authorities overseas, but only in the case of serious crime. That is not a new power but a replication of powers that are already in the Anti-terrorism, Crime and Security Act 2001.

There is no power in the Bill to provide information to other Governments, including the Government of the Republic of Ireland. The measure contains no power to add other Governments by Order.

I congratulate the three maiden speakers. I am sad that time does not allow me to go into more detail about what they said, but all three spoke eloquently, and with a good deal of generosity about their predecessors, for which I am grateful.

I am sorry that my hon. Friend the Member for Glasgow, South (Mr. Harris) was a victim of identity fraud but he showed clearly how the application registration card—ARC—for asylum seekers can be used well.

I am pleased that my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) does not regard the Home Secretary as a snake oil salesman or a huckster. I am grateful for those comments. She is right that, in the past, there has been a great deal of

overselling of the case for the card and all it can do. It can help and supplement but it cannot deal with terrorism in the way in which it was suggested the Government claimed—*[Interruption.]*

Mr. Speaker: Order. The House must come to order.

Mr. McNulty: My hon. Friend the Member for Walthamstow (Mr. Gerrard), in his wisdom, made a telling contribution. I am sure that we shall discuss his comments in full subsequently.

The hon. Member for Ashford (Damian Green) made a speech.

My hon. Friend the Member for South Derbyshire (Mr. Todd) made a fair speech, which was rooted in detail and dealt with some aspects of the benefits, to which we shall revert.

The hon. Member for Stone (Mr. Cash) mentioned Orwell and Lincoln—those were the highlights of his contribution.

I fear that my hon. Friend the Member for Broxtowe (Dr. Palmer) managed to support the hon. Member for Winchester on identity cards.

My hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) was wrong in his supposition that there will be an open book for adding data to the database. Clauses 1, 3 and 43 and schedule 1 make that clear. To suggest that DNA, health records, criminal records or other medical records can be included is plumb wrong.

The hon. Member for Lancaster and Wyre (Mr. Wallace) probably condemned himself to the Committee given his experience.

One of the most irresponsible contributions was made by the hon. Member for Hornsey and Wood Green (Lynne Featherstone). She spoke about DNA—she was wrong. She spoke about the impact on ethic minorities—she was wrong. The Bill is rooted in existing legislation on race relations, race discrimination and other matters.

I say in all candour to my right hon. Friend the Member for Southampton, Itchen (Mr. Denham) that, despite the agreement, if the prevailing wisdom of the usual channels is that there should be more time in Committee to scrutinise the Bill, let us have that discussion. The Government will be generous in their response. The deal was done, but if more time is required, let us talk about it. I have no problem with that.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) is right that an election took place only two months ago. We stood collectively on a manifesto that stated:

"We will introduce ID cards, including biometric data like fingerprints, backed up by a national register and rolling out initially on a voluntary basis as people renew their passports."

That is at the heart of the Bill.

I say again to my right hon. Friend the Member for Southampton, Itchen that we are already involved in some pre-procurement discussions. If that needs to be more open and if we can make it more open before we go through the EU process, I will try to ensure that that happens.

My hon. Friend the Member for Colne Valley (Kali Mountford) made a point about concessions. My right hon. Friend the Home Secretary said that we would reconsider the fee structure, concessions and other assorted elements.

The Bill is an enabling measure. Its purpose is to protect the individual's identity, not suppress the individual. It does not propose a plastic poll tax and is not tantamount to an attack on civil liberties. There is much to be done and I commend the Bill to the House.

Lynne Jones (Birmingham, Selly Oak) (Lab): On a point of order, Mr. Speaker. I beg to ask leave to withdraw the amendment. I shall be voting against Second Reading instead.

Amendment, by leave, withdrawn.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 314, Noes 283.

Division No. 20] **[9.59 pm**

AYES

Nick Ainger	Mr. Ronnie Campbell
Mr. Bob Ainsworth	Mr. Caton
Mr. Douglas Alexander	Colin Challen
Mr. Allen	Mr. Chaytor
Mr. David Anderson	Paul Clark
Janet Anderson	Mr. Charles Clarke
Hilary Armstrong	Mr. Tom Clarke
Charlotte Atkins	Mr. Clelland
Mr. Ian Austin	Ann Clwyd
John Austin	Mr. Coaker
Mr. Bailey	Ann Coffey
Vera Baird	Harry Cohen
Ed Balls	Michael Connarty
Gordon Banks	Mr. Robin Cook
Ms Barlow	Rosie Cooper
Mr. Barron	Yvette Cooper
John Battle	Jim Cousins
Hugh Bayley	Mr. Crausby
Margaret Beckett	Mary Creagh
Miss Begg	Jon Cruddas
Sir Stuart Bell	Mrs. Cryer
Hilary Benn	John Cummings
Mr. Benton	Mr. Jim Cunningham
Roger Berry	Tony Cunningham
Mr. Betts	Mr. Darling
Liz Blackman	Mr. David
Dr. Blackman-Woods	Mr. Davidson
Mr. Blair	Mrs. Dean
Hazel Blears	Mr. Denham
Mr. Blizzard	Mr. Dhanda
Mr. Blunkett	Mr. Dismore
Mr. Borrow	Jim Dobbin
Mr. Bradshaw	Mr. Donohoe
Mr. Gordon Brown	Mr. Doran
Lyn Brown	Jim Dowd
Mr. Nicholas Brown	Mr. Drew
Mr. Russell Brown	Angela Eagle
Mr. Des Browne	Maria Eagle
Chris Bryant	Clive Efford
Ms Buck	Mrs. Ellman
Paul Burden	Mrs. Engel
Colin Burgon	Jeff Ennis
Andy Burnham	Bill Etherington
Ms Butler	Paul Farrelly
Mr. Byers	Mr. Frank Field
Mr. Byrne	Jim Fitzpatrick
Mr. Caborn	Mr. Flello
David Cairns	Caroline Flint
Mr. Alan Campbell	Barbara Follett

Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Lady Hermon
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Phil Hope
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Mrs. James
Mr. Jenkins
Alan Johnson
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mr. Lazon
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall
Mr. Martlew
Mr. McAvoy
Steve McCabe
Chris McCafferty
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meale
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. O'Hara
Mr. Olner
Sandra Osborne
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Mr. Gordon Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
John Reid
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Mr. Simon
Mr. Singh
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Angela E. Smith *(Basildon)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Kitty Ussher
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Wills
Ms Rosie Winterton
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Mr. Ian Cawsey and
Kevin Brennan

NOES

Ms Abbott
Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Amess
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Peter Bottomley
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Malcolm Bruce
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Ms Katy Clark
Mr. Clegg
Derek Conway
Frank Cook
Jeremy Corbyn
Sir Patrick Cormack
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Quentin Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Dunne
Mrs. Dunwoody
Mark Durkan
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant

Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mark Fisher
Paul Flynn
Mr. Forth
Mr. Don Foster
Dr. Fox
Mr. Francois
Mr. Fraser
Mr. Galloway
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gibb
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Philip Hammond
Stephen Hammond
Mr. Hancock
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Hayes
Mr. Heald
Mr. Heath
John Hemming
Charles Hendry
Mr. Herbert
Mr. Hoban
Kate Hoey
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Kelvin Hopkins
Mr. Horam
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Mr. Gerald Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Glenda Jackson
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Lynne Jones
Mr. Keetch
Mr. Charles Kennedy
Robert Key
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Mr. MacNeil
Anne Main
Mr. Malins
Mr. Maples
Mr. Marshall-Andrews
Mr. Maude
Mrs. May
Dr. McCrea
Dr. Alasdair McDonnell
John McDonnell
Mr. McGrady
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moore
Mr. Moss
Greg Mulholland
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Opik
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Redwood
Mr. Alan Reid
Sir Malcolm Rifkind
Mrs. Riordan
Mr. Robathan
Angus Robertson
Hugh Robertson
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Paul Rowen
Mr. Ruffley
Bob Russell
Mr. Salmond
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
Clare Short
Mark Simmonds
Alan Simpson
David Simpson
Mr. Keith Simpson
John Smith
Sir Robert Smith
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
David Taylor
Mr. Ian Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara
Peter Viggers
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Waring
Angela Watkinson
Steve Webb
Mr. Weir
Mr. Whittingdale
Bill Wiggin
Mr. Willetts
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Wilshire
Mr. Rob Wilson
Sammy Wilson
Mr. Winnick
Ann Winterton
Sir Nicholas Winterton
Pete Wishart
Mike Wood
Jeremy Wright
Mr. Yeo
Richard Younger-Ross

Tellers for the Noes:
Mr. Henry Bellingham and
Mr. John Randall

Question accordingly agreed to.

Mr. Heath: On a point of order, Mr. Speaker. You and the whole House will have heard the Home Secretary, in response to an intervention from the hon. Member for South Staffordshire (Sir Patrick Cormack)—the Minister of State repeated the point later in his peroration—say that the Government would consider the Bill's committal to either a Special Standing Committee or a Joint Committee. Would it be in order for the Government to withdraw their programme motion, and am I correct in saying that under Standing Order No. 63, it would be perfectly in order to put down an alternative motion of committal, without notice, this evening? Has there been any indication that that will take place?

Mr. Speaker: What I am doing tonight is inviting the Government to move the motion.

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions):

That the following provisions shall apply to the Identity Cards Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 19th July 2005.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Programming of proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—[*Mr. Alan Campbell.*]

The House divided: Ayes 313, Noes 286.

Division No. 21] **[10.18 pm**

AYES

Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. Allen
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
John Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Margaret Beckett
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Mr. Blair
Hazel Blears
Mr. Blizzard
Mr. Blunkett
Mr. Borrow
Mr. Bradshaw
Mr. Gordon Brown
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Colin Challen
Mr. Chaytor
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Mr. Clelland
Ann Clwyd
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Mr. Robin Cook
Rosie Cooper
Yvette Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
Mrs. Cryer
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mr. Darling
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Mrs. Engel
Jeff Ennis
Bill Etherington
Paul Farrelly
Mr. Frank Field
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Phil Hope
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Ilsley
Huw Irranca-Davies
Mrs. James
Mr. Jenkins
Alan Johnson
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall
Mr. Martlew
Mr. McAvoy
Steve McCabe
Chris McCafferty
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. McNulty
Mr. Meale
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden
Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. O'Hara
Mr. Olner
Sandra Osborne
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Mr. Gordon Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
John Reid
John Robertson
Mr. Geoffrey Robinson
Mr. Rooney
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Mr. Simon
Mr. Singh
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Angela E. Smith *(Basildon)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart

Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Kitty Ussher
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Wills
Ms Rosie Winterton
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Mr. Ian Cawsey and
Kevin Brennan

NOES

Ms Abbott
Adam Afriyie
Mr. Peter Ainsworth
Danny Alexander
Mr. Amess
Mr. Ancram
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Tony Baldry
Gregory Barker
Mr. Baron
John Barrett
Mr. Beith
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Peter Bottomley
Mr. Brady
Tom Brake
Mr. Brazier
Mr. Breed
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Angela Browning
Malcolm Bruce
Mr. Burns
Mr. Burrowes
Mr. Burstow
Alistair Burt
Lorely Burt
Sir John Butterfill
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Mr. Chope
Mr. Clappison
Greg Clark
Ms Katy Clark
Mr. Clegg
Derek Conway
Frank Cook
Jeremy Corbyn
Sir Patrick Cormack
Mr. Cox
Mr. Crabb
Mr. Curry
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Quentin Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mr. Dorrell
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Duncan Smith
Mr. Dunne
Mrs. Dunwoody
Mark Durkan
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mark Fisher
Paul Flynn
Mr. Forth
Mr. Don Foster
Dr. Fox
Mr. Francois
Mr. Fraser
Mr. Galloway
Mr. Garnier
Mr. Gauke
Andrew George
Mr. Gerrard
Mr. Gibb
Dr. Gibson
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Philip Hammond
Stephen Hammond
Mr. Hancock
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Hayes
Mr. Heald
Mr. Heath
John Hemming
Charles Hendry
Mr. Herbert
Lady Hermon
Mr. Hoban
Kate Hoey
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Kelvin Hopkins
Mr. Horam
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Mr. Gerald Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Glenda Jackson
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Lynne Jones
Daniel Kawczynski
Mr. Keetch
Mr. Charles Kennedy
Robert Key
Miss Kirkbride
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Leigh
Mr. Letwin
Mr. Liddell-Grainger
Mr. Lidington
Mr. Lilley
Mr. Llwyd
Tim Loughton
Peter Luff
Mr. Mackay
David Maclean
Mr. MacNeil
Anne Main
Mr. Malins
Mr. Maples
Mr. Marshall-Andrews
Mr. Maude
Mrs. May
Dr. McCrea
Dr. Alasdair McDonnell
John McDonnell
Mr. McGrady
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Austin Mitchell
Mr. Moore
Mr. Moss
Greg Mulholland
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Opik
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
Mike Penning
John Penrose
Mr. Pickles
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Redwood
Mr. Alan Reid
Sir Malcolm Rifkind
Mrs. Riordan
Mr. Robathan
Angus Robertson
Hugh Robertson
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Paul Rowen
Mr. Ruffley
Bob Russell
Mr. Salmond
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
Mr. Shepherd
Clare Short
Mark Simmonds
Alan Simpson
David Simpson
Mr. Keith Simpson
Sir Robert Smith
Mrs. Spelman
Sir Michael Spicer
Bob Spink
Mr. Spring
Sir John Stanley
Mr. Steen
Mr. Streeter
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
David Taylor
Mr. Ian Taylor
Matthew Taylor
Dr. Richard Taylor
Sarah Teather
John Thurso
David Tredinnick
Mr. Andrew Turner
Mr. Tyrie
Mr. Vaizey
Mr. Vara

Peter Viggers
Mrs. Villiers
Mr. Walker
Mr. Wallace
Mr. Wareing
Angela Watkinson
Steve Webb
Mr. Weir
Mr. Whittingdale
Bill Wiggin
Mr. Willetts
Hywel Williams
Mark Williams
Mr. Roger Williams
Stephen Williams
Mr. Willis
Jenny Willott
Mr. Wilshire
Mr. Rob Wilson
Sammy Wilson
Ann Winterton
Sir Nicholas Winterton
Pete Wishart
Mike Wood
Jeremy Wright
Mr. Yeo
Richard Younger-Ross

Tellers for the Noes:
Mr. Henry Bellingham and
Mr. John Randall

Question accordingly agreed to.

IDENTITY CARDS BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Identity Cards Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) such allowances to be paid to the National Identity Scheme Commissioner as the Treasury may determine;

(2) any sums authorised or required to be paid by the Secretary of State for or in connection with the carrying out of his functions under that Act; and

(3) any increase attributable to that Act in the sums which are payable out of money so provided under any other Act.—*[Mr. Heppell.]*

The House divided: Ayes 311, Noes 219.

Division No. 22] **[10.33 pm**

AYES

Nick Ainger
Mr. Bob Ainsworth
Mr. Douglas Alexander
Mr. David Anderson
Janet Anderson
Hilary Armstrong
Charlotte Atkins
Mr. Ian Austin
John Austin
Mr. Bailey
Vera Baird
Ed Balls
Gordon Banks
Ms Barlow
Mr. Barron
John Battle
Hugh Bayley
Margaret Beckett
Miss Begg
Sir Stuart Bell
Hilary Benn
Mr. Benton
Roger Berry
Mr. Betts
Liz Blackman
Dr. Blackman-Woods
Hazel Blears
Mr. Blizzard
Mr. Borrow
Mr. Bradshaw
Mr. Gordon Brown
Lyn Brown
Mr. Nicholas Brown
Mr. Russell Brown
Mr. Des Browne
Chris Bryant
Ms Buck
Richard Burden
Colin Burgon
Andy Burnham
Ms Butler
Mr. Byers
Mr. Byrne
Mr. Caborn
David Cairns
Mr. Alan Campbell
Mr. Ronnie Campbell
Mr. Caton
Colin Challen
Mr. Chaytor
Paul Clark
Mr. Charles Clarke
Mr. Tom Clarke
Mr. Clelland
Ann Clwyd
Mr. Coaker
Ann Coffey
Harry Cohen
Michael Connarty
Mr. Robin Cook
Rosie Cooper
Yvette Cooper
Jim Cousins
Mr. Crausby
Mary Creagh
Jon Cruddas
Mrs. Cryer
John Cummings
Mr. Jim Cunningham
Tony Cunningham
Mr. Darling
Mr. David
Mr. Davidson
Mrs. Dean
Mr. Denham
Mr. Dhanda
Mr. Dismore
Jim Dobbin
Frank Dobson
Mr. Donohoe
Mr. Doran
Jim Dowd
Mr. Drew
Angela Eagle
Maria Eagle
Clive Efford
Mrs. Ellman
Mrs. Engel
Jeff Ennis
Bill Etherington
Paul Farrelly
Mr. Frank Field
Jim Fitzpatrick
Mr. Flello
Caroline Flint
Paul Flynn
Barbara Follett
Mr. Michael Foster *(Worcester)*
Michael Jabez Foster *(Hastings and Rye)*
Dr. Francis
Mike Gapes
Barry Gardiner
Dr. Gibson
Linda Gilroy
Mr. Godsiff
Paul Goggins
Helen Goodman
Nia Griffith
Nigel Griffiths
Mr. Grogan
Andrew Gwynne
Mr. Mike Hall
Patrick Hall
Mr. David Hamilton
Mr. Fabian Hamilton
Mr. Hanson
Ms Harman
Mr. Tom Harris
Mr. Havard
John Healey
Mr. Henderson
Mr. Hendrick
Mr. Hepburn
Mr. Heppell
Stephen Hesford
Ms Hewitt
David Heyes
Keith Hill
Meg Hillier
Margaret Hodge
Mrs. Hodgson
Mr. Hood
Mr. Hoon
Phil Hope
Mr. George Howarth
Dr. Howells
Mr. Hoyle
Beverley Hughes
Mrs. Humble
Mr. Hutton
Dr. Iddon
Mr. Illsley
Huw Irranca-Davies
Mrs. James
Mr. Jenkins
Alan Johnson
Ms Diana R. Johnson
Helen Jones
Mr. Kevan Jones
Mr. Martyn Jones
Tessa Jowell
Mr. Joyce
Sir Gerald Kaufman
Ms Keeble
Ms Keeley
Alan Keen
Ann Keen
Ruth Kelly
Mr. Kemp
Jane Kennedy
Mr. Khabra
Mr. Khan
Mr. Kidney
Mr. Kilfoyle
Jim Knight
Dr. Kumar
Dr. Ladyman
Mr. Lammy
Mr. Laxton
Mark Lazarowicz
David Lepper
Tom Levitt
Mr. Ivan Lewis
Martin Linton
Tony Lloyd
Ian Lucas
Mr. MacDougall
Andrew Mackinlay
Mr. MacShane
Fiona Mactaggart
Mr. Mahmood
Mr. Malik
Judy Mallaber
John Mann
Rob Marris
Mr. Marsden
Mr. Marshall
Mr. Martlew
Mr. McAvoy
Steve McCabe
Chris McCafferty
Kerry McCarthy
Sarah McCarthy-Fry
Mr. McCartney
Siobhain McDonagh
Mr. McFadden
Mr. McFall
Mr. McGovern
Mrs. McGuire
Shona McIsaac
Ann McKechin
Rosemary McKenna
Mr. Meale
Gillian Merron
Alun Michael
Mr. Milburn
Mr. David Miliband
Edward Miliband
Andrew Miller
Anne Moffat
Laura Moffatt
Chris Mole
Mrs. Moon
Margaret Moran
Jessica Morden

Julie Morgan
Mr. Morley
Kali Mountford
Mr. Mudie
Mr. Mullin
Meg Munn
Mr. Denis Murphy
Mr. Jim Murphy
Mr. Paul Murphy
Dr. Naysmith
Dan Norris
Mr. Mike O'Brien
Mr. O'Hara
Mr. Oiner
Sandra Osborne
Dr. Palmer
Ian Pearson
Mr. Plaskitt
Mr. Pope
Stephen Pound
Bridget Prentice
Mr. Gordon Prentice
Dawn Primarolo
Gwyn Prosser
Mr. Purchase
James Purnell
Bill Rammell
Mr. Raynsford
Mr. Andy Reed
Mr. Jamie Reed
John Reid
John Robertson
Mr. Geoffrey Robinson
Mr. Roy
Chris Ruane
Joan Ruddock
Christine Russell
Joan Ryan
Martin Salter
Mr. Sarwar
Alison Seabeck
Jonathan Shaw
Mr. Sheerman
Jim Sheridan
Mr. Simon
Mr. Skinner
Mr. Slaughter
Mr. Andrew Smith
Ms Angela C. Smith *(Sheffield, Hillsborough)*
Angela E. Smith *(Basildon)*
Jacqui Smith
Anne Snelgrove
Sir Peter Soulsby
Helen Southworth
Mr. Spellar
Dr. Starkey
Ian Stewart
Dr. Stoate
Dr. Strang
Mr. Straw
Graham Stringer
Ms Gisela Stuart
Mr. Sutcliffe
Mark Tami
Ms Dari Taylor
David Taylor
Mr. Thomas
Ms Thornberry
Mr. Timms
Paddy Tipping
Mr. Todd
Mr. Touhig
Jon Trickett
Dr. Desmond Turner
Mr. Neil Turner
Derek Twigg
Kitty Ussher
Keith Vaz
Joan Walley
Lynda Waltho
Claire Ward
Mr. Watson
Mr. Watts
Dr. Whitehead
Malcolm Wicks
Mr. Alan Williams
Mrs. Betty Williams
Mr. Wills
Ms Rosie Winterton
Mr. Woodward
Mr. Woolas
Mr. Anthony Wright
David Wright
Mr. Iain Wright
Dr. Tony Wright
Derek Wyatt

Tellers for the Ayes:
Mr. Ian Cawsey and Kevin Brennan

NOES

Adam Afriyie
Danny Alexander
Mr. Amess
Mr. Arbuthnot
Mr. Atkinson
Mr. Bacon
Norman Baker
Gregory Barker
John Barrett
Mr. Beith
Mr. Bellingham
Mr. Benyon
John Bercow
Sir Paul Beresford
Mr. Binley
Mr. Blunt
Mr. Bone
Mr. Boswell
Tom Brake
Mr. Brazier
James Brokenshire
Annette Brooke
Mr. Jeremy Browne
Malcolm Bruce
Mr. Burrowes
Alistair Burt
Lorely Burt
Dr. Cable
Mr. Cameron
Mr. Gregory Campbell
Sir Menzies Campbell
Mr. Carmichael
Mr. Carswell
Mr. Cash
Mr. Chope
Greg Clark
Mr. Clegg
Derek Conway
Jeremy Corbyn
Sir Patrick Cormack
Mr. Cox
Mr. Crabb
Mr. Davey
David T.C. Davies *(Monmouth)*
Philip Davies
Mr. Quentin Davies
David Davis *(Haltemprice and Howden)*
Mr. Djanogly
Mr. Dodds
Mr. Donaldson
Mrs. Dorries
James Duddridge
Mr. Duncan
Mr. Dunne
Mark Durkan
Mr. Ellwood
Mr. Evans
Mr. Evennett
Michael Fabricant
Mr. Fallon
Tim Farron
Lynne Featherstone
Mr. Mark Field
Mr. Forth
Mr. Don Foster
Dr. Fox
Mr. Francois
Mr. Fraser
Mr. Garnier
Mr. Gauke
Andrew George
Sandra Gidley
Mrs. Gillan
Julia Goldsworthy
Mr. Paul Goodman
Mr. Goodwill
Michael Gove
Mr. Gray
Chris Grayling
Damian Green
Justine Greening
Mr. Greenway
Mr. Grieve
Mr. Philip Hammond
Stephen Hammond
Mr. Hands
Mr. Harper
Dr. Evan Harris
Nick Harvey
Mr. Hayes
Mr. Heald
Mr. Heath
Charles Hendry
Mr. Herbert
Lady Hermon
Mr. Hoban
Mr. Hogg
Mr. Hollobone
Mr. Holloway
Paul Holmes
Mr. Horam
Mr. Horwood
Stewart Hosie
Mr. Howard
David Howarth
Mr. Gerald Howarth
Simon Hughes
Chris Huhne
Mr. Hunt
Mr. Hurd
Mr. Jack
Glenda Jackson
Mr. Stewart Jackson
Mr. Jenkin
Mr. Boris Johnson
Mr. David Jones
Daniel Kawczynski
Mr. Keetch
Mr. Charles Kennedy
Mr. Greg Knight
Susan Kramer
Mrs. Laing
Mrs. Lait
Norman Lamb
Mr. Lancaster
Mr. Lansley
Mr. Laws
Mr. Leech
Mr. Letwin
Mr. Liddell-Grainger
Mr. Lidington
Mr. Llwyd
Peter Luff
Mr. MacNeil
Mr. Maples
Mrs. May
Dr. McCrea
Dr. Alasdair McDonnell
Mr. McGrady
Miss McIntosh
Mr. McLoughlin
Patrick Mercer
Mrs. Maria Miller
Anne Milton
Mr. Andrew Mitchell
Mr. Moore
Greg Mulholland
David Mundell
Dr. Murrison
Mr. Newmark
Mr. Stephen O'Brien
Mr. Oaten
Lembit Öpik
Mr. Paice
Rev. Ian Paisley
Mr. Paterson
Mr. Pelling
John Penrose
Adam Price
Mr. Prisk
Mark Pritchard
Dr. Pugh
Mr. Randall
Mr. Alan Reid
Angus Robertson
Hugh Robertson
Mr. Laurence Robertson
Mrs. Iris Robinson
Mr. Peter Robinson
Mr. Rogerson
Andrew Rosindell
Mr. Ruffley
Bob Russell
Mr. Salmond
Mr. Sanders
Mr. Scott
Andrew Selous
Grant Shapps
David Simpson
Sir Robert Smith
Mr. Soames
Sir Michael Spicer
Bob Spink
Sir John Stanley
Mr. Steen
Mr. Graham Stuart
Andrew Stunell
Mr. Swayne
Jo Swinson
Mr. Swire
Mr. Syms
Sir Peter Tapsell
Dr. Richard Taylor
Sarah Teather
John Thurso

David Tredinnick	Mark Williams
Mr. Andrew Turner	Stephen Williams
Mr. Tyrie	Mr. Willis
Mr. Vaizey	Jenny Willott
Mr. Vara	Mr. Rob Wilson
Peter Viggers	Sammy Wilson
Mr. Walker	Ann Winterton
Mr. Wallace	Sir Nicholas Winterton
Angela Watkinson	Jeremy Wright
Steve Webb	Richard Younger-Ross
Mr. Weir	
Mr. Whittingdale	**Tellers for the Noes:**
Bill Wiggin	**Pete Wishart and**
Mr. Willetts	**Hywel Williams**

Question accordingly agreed to.

IDENTITY CARDS BILL *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Identity Cards Bill, it is expedient to authorise—

(1) the charging of fees in respect of functions carried out under that Act;

(2) the charging of fees in respect of consular functions within the meaning of section 1 of the Consular Fees Act 1980; and

(3) the payment of sums into the Consolidated Fund.—*[Mr. Heppell.]*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the draft Firearms (Amendment) (Northern Ireland) Order 2005, which was laid before this House on 21st February, in the last Session of Parliament, be approved.—*[Mr. Heppell.]*

Question agreed to.

STATUTORY INSTRUMENTS (JOINT COMMITTEE)

Ordered,

That Dr Roberta Blackman-Woods, Mr Peter Bone, Mr Jeffrey M. Donaldson, Mr Eric Forth, Michael Jabez Foster, Mr David Kidney and Mr John MacDougall be members of the Select Committee appointed to join with a Committee of the Lords as the Joint Committee on Statutory Instruments.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

EUROPEAN SCRUTINY

Ordered,

That Mr Richard Bacon, Mr David S. Borrow, Mr William Cash, Michael Connarty, Rosie Cooper, Mr Wayne David, Jim Dobbin, Michael Gove, Nia Griffith, Mr David Hamilton, Mr David Heathcoat-Amory, Mr Jimmy Hood, Mr Lindsay Hoyle, Angus Robertson, Mr Anthony Steen and Richard Younger-Ross be members of the European Scrutiny Committee.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

STATUTORY INSTRUMENTS (JOINT COMMITTEE) (DATE AND TIME)

Ordered,

That the Select Committee appointed to join with a Committee of the Lords as the Joint Committee on Statutory Instruments do meet with the Committee appointed by the Lords on Tuesday 5th July at a quarter past Four o'clock in Committee Room 7.—*[Mr. Heppell.]*

PETITION

GP Practices

10.47 pm

Andrew Selous (South-West Bedfordshire) (Con): I present a petition signed by more than 700 of my constituents who wish to support small and single-handed GP practices in their locality and object to the Government's one-size-fits-all policy on GP practices. The petition is heartfelt, as is evidenced by the comments of many of the petitioners.

The petition states:

To the House of Commons.

The Petition of residents of South Bedfordshire and others,

Declares that single-handed and small GP Practices provide an important service by supporting Patient Choice.

The Petitioners therefore request that the House of Commons urge the Department of Health to support the continued existence of single-handed and small GP practices, and ensure they are not phased out in favour of large "supersize" practices alone.

To lie upon the Table.

Tibet

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

10.49 pm

Norman Baker (Lewes) (LD): I am pleased to have the opportunity to raise the subject of Tibet. I hope that this is a topical and timely Adjournment debate, given that the Prime Minister is meeting Hu Jintao in July at Gleneagles. There will also be an EU-China summit later this year. As the UK will hold the EU presidency, it will oversee the EU-China human rights dialogue that is expected to take place in October. There is thus an opportunity for the UK to make a considerable impact on the situation in Tibet and especially the human rights situation there, which is of primary concern to me. For the record, it is worth noting that Tibet is not part of China, although the Chinese like to pretend that it is. It is doubtful whether it was ever part of China, and in 1904 Tibet signed an independent agreement—the Lhasa convention—with Britain without China's involvement. China objected, and Britain replied:

"Tibet is not one of the 18 provinces of the Chinese Empire".

In 1904, Britain therefore recognised Tibet as an independent country. The Chinese revolution took place in 1911, and there was no Chinese involvement at all between then and 1950. Tibet had its own postage stamps, currency and foreign policy—all the hallmarks of an independent country that was recognised by the British Government, who said in 1942:

"The Tibetans have every moral right to their independence for which they have fought successfully in the past, and we are committed to support them in maintaining it."

If only that were true. Since then, things have gone downhill, and the Chinese invasion finally led to the Dalai Lama fleeing Lhasa in 1959. UN resolutions followed in 1959, 1961 and 1965, calling for

"the cessation of all practices depriving the Tibetan people of the human rights and fundamental freedoms which they have always enjoyed".

The UN took a great interest in Tibet, but it did not lead to the enforcement of UN resolutions—that has happened in other countries more recently—as the international community did not think it appropriate.

I was grateful for the response that I received from the late and effective Minister, Derek Fatchett, to another Adjournment debate that I secured on Tibet in 1999. He acknowledged that the British Government have never accepted Chinese sovereignty over Tibet, which is a very important point. He said that successive British Governments

"have regarded Tibet as autonomous, while recognising the special position of China there."—[*Official Report*, 19 March 1999; Vol. 327, c. 1463.]

That is ambiguous, but it is helpful, as it does not say that Tibet is part of China. It is important that we maintain that position, and I urge the Minister for Trade to confirm that the British Government have not changed it in the six years since I last secured an Adjournment debate on this topic.

Anyone who goes to Tibet will immediately realise that it is an occupied country, where Tibetans are treated as second-class by the Han Chinese, who are increasingly moving there with incentives from the Chinese Government. Travellers can attest that even nomads in the most isolated parts of Tibet are cautious about being photographed with westerners for fear of harassment by the Chinese authorities. Every morning in Lhasa, one can hear the People's Liberation Army singing "The East is Red". Anyone who visits Lhasa will know which homes are Han Chinese and which are Tibetan from the quality of the buildings. Apartheid, thank goodness, has been dispatched in South Africa. We all rejoice at that, but it is still very much present in Tibet, where Tibetans are second-class citizens in comparison with the Chinese who invaded the country and set themselves up as its rulers.

The Minister will know the history of Tibet since 1950. A total of 1.2 million Tibetans have died as a consequence of the Chinese occupation. Torture takes place regularly, political prisoners are held, and extrajudicial executions are still commonplace in that sad country. The International Commission of Jurists concluded in its reports of 1959 and 1960 that there was a prima facie case of genocide committed by the Chinese on the Tibetan nation. It is a strong word, but I use it advisedly, as my assessment is that there is an attempt to exterminate the culture of that country and make the Tibetans a minority, so that there will be no going back on the Chinese occupation. It is a terrible situation, but that is what is happening slowly and incrementally, and it is getting worse.

More than 3,000 people are believed to have been detained for political offences since September 1987, many of them for simple activities such as writing letters, distributing leaflets or talking to foreigners about Tibet. The things that we take for granted in Britain are a cause of arrest, long-term imprisonment, torture and even death. So there is a regular stream of people attempting to escape from Tibet into Nepal, despite the fact that the journey is a dangerous one over the Himalayas and many die on the journey. They risk hypothermia, snow blindness, frostbite and the possibility of falling, but they still make the journey. It is very sad that Nepal has colluded with the Chinese Government to return some of those who make it into Nepal. I understand that the position in Nepal is not particularly stable, but have the British Government taken the matter up with the Nepalese authorities?

What has taken place in Tibet is not a standard invasion and occupation of a country. It is more insidious than that. There is an attempt to eliminate the whole culture of Tibet. There are "patriotic re-education" classes for monks and nuns, who are forced to denounce the Dalai Lama and to denounce their religion if they want to carry on living and be free of tyranny. Religious practice was suppressed until 1979 and 6,000 monasteries and shrines have been destroyed and violated. Now the head of every monastery, like all monks, is appointed by the religious affairs bureau, a state-run Chinese body. Every major monastery is overseen by a so-called democratic management committee, which is the highest authority in the monastery and supervises its activities. The Chinese authorities appoint all candidates for that committee, who are then "elected" by the monks.

There is a two-tier system in education as well. Secondary education in Tibet is solely in Chinese, except for learning the Tibetan language. In order to learn English, which is essential for most university courses, students must forgo study of their own language. Up to

[Norman Baker]

4,000 Tibetan children are sent to China for secondary education, which often means seven years away from their own culture and language.

The slightest display of national sentiment among schoolchildren leads to severe penalties. Six pupils from No. 1 middle school in Lhasa were arrested in 1989 for making a copy of the Tibetan national flag. In 1990 another student from the same school was reportedly arrested for giving a Tibetan nationalist flag to a monk. She received a three-year term of re-education through labour and was sent to Gutsa detention centre, which is notorious for the use of torture. Officials have called for the fresh introduction of socialist education in schools all over Tibet.

The situation is exacerbated by the construction of the Gormo-Lhasa railway. Hitherto some protection has been afforded to Tibet by the sheer fact that it is so far away from Beijing and other major Chinese cities. Now that distance is to be eradicated through the construction of the railway which, along with tax incentives for Chinese settlers in Tibet, the relaxation of the one child policy in Tibet, and the fact that over half the people in Tibet are now admitted by the Chinese to be non-Tibetan, is leading to a point beyond which there is no return. It is extremely important that the world community stands up and defends Tibet before it is too late.

The railway project is expected to be completed by 2006. It is not an economic development project. It is a political project, make no mistake about that. That was admitted by Jiang Zemin, who said:

"Some people advised me not to go ahead with this project because it is not commercially viable. I said this is a political decision."

So we have it in the words of the Chinese themselves. Will the Government raise with the Chinese authorities the question of the railway and its purpose?

I shall mention briefly one or two specific cases, which I hope the Government will raise in their discussions with the Chinese authorities. Tenzin Deleg Rinpoche is a respected Buddhist religious leader. He originally confessed, apparently, to

"conspiring to cause a series of explosions"

and

"incitement to separatism",

but withdrew these confessions, saying that they had been made under duress. He had built monasteries, schools and homes for the elderly in his community in eastern Tibet, but his leadership outside the communist party made him a political target. He was sentenced to death and that was confirmed in a retrial. The sentence has subsequently been commuted to life imprisonment, but grave concerns remain about the fairness of the trial, which of course did not conform to international standards. Will the Government press for a full and fair retrial in the presence of international observers?

Perhaps the most obvious case is that of the Panchen Lama. The Minister knows that the Panchen Lama, who has been recognised by the Dalai Lama, has been imprisoned for more than 10 years since he was six, making him the youngest political prisoner in the world. When the boy and his family were taken into custody, about 40 monks were arrested for their part in supporting the child's recognition. Beijing has refused to allow independent observers to establish the child's well-being, saying that it is a matter for them and that the child does not want to be involved in any political process, which is an excuse that is wearing very thin. China is due to appear before the UN committee on the rights of the child—will the Government undertake to press China to allow them access to the Panchen Lama and his family?

The arms embargo, which was imposed in 1989 in response to the massacre in Tiananmen square, relates to human rights in both China and Tibet. Fourteen people are still imprisoned by the Chinese for their role in the Tiananmen square protests, and there is no evidence that human rights have substantially improved since 1989. It is welcome that the Government are pushing for a tougher code of conduct on arms sales, but ending the embargo will send precisely the wrong signal to Beijing, and we must make it clear that we condemn the Chinese record on human rights. Will the Government reconsider their support for lifting the arms embargo and push for the new code of conduct to be legally binding on all EU member states?

Simon Hughes (North Southwark and Bermondsey) (LD): My hon. Friend knows that there is huge support around the country for his argument, and the Government know it, too. Will he join me in adding that we have a great opportunity in the next year? The Olympic games are going to China, and this year's G8 and EU discussions probably provide the best window of opportunity to influence the Chinese. If we do not take that opportunity, we may condemn Tibet to another generation of repression and the loss of human rights, in addition to individual tragedies such as those that my hon. Friend has discussed.

Norman Baker (Lewes) (LD): By which point it may be too late. I agree with my hon. Friend and am glad that he has mentioned the Olympics, a key issue on which we can pressure the Chinese. When the Olympics take place, the world will look at China, and we must forcefully use that opportunity to drive forwards the human rights agenda that all hon. Members share.

Harry Cohen (Leyton and Wanstead) (Lab): The hon. Gentleman is making some excellent points. Soon, this country will have the presidencies of the EU and the G8, which we should also use to press the Chinese authorities to open up negotiations with representatives of the Dalai Lama.

Norman Baker: The Chinese should certainly open up negotiations with the Dalai Lama. The Chinese want to be part of the trading world, to end their isolation and to deal with the west. We should welcome trade arrangements with China, but we should also make it plain that the price is adherence to the human rights standards of the G8. If China wants to be part of the club, it should stick to the rules.

The Minister may tell me that China has signed the international convention on civil and political rights, the international convention on the suppression and punishment of the crime of apartheid, the convention against torture and other cruel, inhuman or degrading

treatment or punishment and the convention on the rights of the child. Indeed, the *People's Daily* has claimed that the People's Republic of China has signed up to 21 such agreements. In 1997, the PRC stated:

"The Chinese Government has all along attached importance to the protection of human rights and has committed itself to enabling the Chinese people to fully enjoy human rights and basic freedoms."

This Government and the previous Government have raised those issues with the Chinese authorities, who have responded by saying the right things and signing bits of paper. However, bits of paper are no longer enough—they do not save lives, they do not stop torture and they do not prevent the eradication of Tibet and its way of life. I look forward to hearing how the Minister will actively ensure that China respects Tibetans' rights, and how he will move the agenda forward, which is what all Members want.

11.4 pm

The Minister for Trade (Ian Pearson): I congratulate the hon. Member for Lewes (Norman Baker) on securing an Adjournment debate on this subject and acknowledge his longstanding interest in Tibet. I assure him that the Government are deeply concerned about the human rights of the Tibetan people and follow developments on Tibet closely. We raise our concerns with the Chinese at every appropriate opportunity.

Let me begin by discussing political prisoners in Tibet. We are particularly concerned about Tibetans who find themselves in prison for actions that are the peaceful expression of political, cultural and religious rights. The UK Government have lobbied over the years for the release of a number of political prisoners in Tibet. I had the pleasure of meeting one such former prisoner a few days ago. She explained to me the circumstances of her arrest and imprisonment, and I formed the view that she had clearly suffered greatly for exercising her legitimate right to express political opinions and to protest peacefully.

The hon. Gentleman mentioned Tenzin Deleg Rinpoche. He may be aware that earlier this year my right hon. Friend the Foreign Secretary visited China and directly raised our concerns about the death sentence on that individual. Tenzin Deleg has been found guilty of several crimes, including plotting explosions. Clearly such activity would be wrong if the accusation were true, but there are real doubts about the fairness of his trial and sentence. The UK supported the EU statement about his case that was published in February this year.

That brings me to a more general point about political prisoners. We have several reports that suggest that political prisoners are susceptible to mistreatment and torture when detained. We appreciate that torture can occur in any country in the world, but we are convinced that what distinguishes a well-governed country from a poorly governed one is the reaction of the authorities to allegations of abuse. We very much welcome China's recent efforts to tackle torture, but our view, based on our own experience, is that greater transparency can radically improve the situation. Transparent systems have real benefits not only for prisoners who are vulnerable but for officials who might be unjustly accused. We hope that the Chinese and Tibetan authorities will bear in mind the UK's experience on this issue.

I should add here that the Government have grave concerns about the fate of Gedhun Choekyi Nyima, the Dalai Lama's choice as the 11th Panchen Lama, who disappeared from public view in 1995. We have regularly requested that independent monitors be allowed to check on his welfare, and believe that the Chinese authorities are making a serious mistake in denying our requests. The secrecy surrounding this child's circumstances does not help China's image in the world.

Moving on from individual cases, I should like to make a wider point about religion in Tibet. Chinese Government officials have told our ambassador to Beijing that the authorities strictly limit the numbers of monks and nuns in Tibet and that the political education campaign in monasteries and convents continues. Needless to say, it is very much our view that Tibetan monks and nuns should be allowed to pursue their religious way of life without hindrance or interference from Government or party officials.

The hon. Gentleman mentioned the railways. The Government are also very concerned that the economic development of Tibet should benefit the native Tibetan population. While we recognise that the Chinese Government have invested a lot of money in infrastructure projects in Tibet, it is clear to anyone who has travelled there that the biggest beneficiaries of that investment are the large numbers of Han Chinese who have migrated to the region in recent years. They take most of the jobs associated with the infrastructure projects, and often compete with and exclude Tibetans from even lowly paid and less skilled jobs such as driving taxis and growing vegetables. That migration has also had a detrimental impact on traditional Tibetan culture.

China's policy on developing Tibet would be more successful if it took more account of the wishes and needs of the local Tibetan population and sought to provide more benefits directly to them. We believe that the authorities should prioritise as much as possible the use of Tibetan labour and businesses, devote more resources to training and education for Tibetans, and improve access to Tibetan language education at all levels, including in key subjects such as maths and sciences.

In our opinion, putting more emphasis on the benefits for the native population is more likely to produce a sustainable economy in Tibet and, in the longer term, that should impact positively on Tibet's poor rural communities. Of course greater transparency, consultation and dialogue with a broad range of Tibetans could and should play an important role in developing effective policies. I should also point out that such changes are in Beijing's interests, too. In the longer term, more Tibetans would experience the genuine benefits of Chinese investment in their region.

I should add a word here about Tibet's environment, which will come under more pressure as transport links between China and Tibet develop. Tibet has a unique natural environment that should be carefully protected. We hope that the authorities will apply the highest standards of environmental protection to any large-scale industrial activities, especially mining, in the region.

Let me speak briefly about the political situation in Tibet. The UK Government believe that a political agreement between the Chinese authorities and the Dalai Lama and his representatives is essential, not least as it should help to address some of the human rights

[Ian Pearson]

issues that the hon. Gentleman and I have mentioned. With that end in mind, UK Ministers and officials have regularly encouraged the Chinese Government to engage in meaningful direct dialogue without pre-conditions with the Dalai Lama and his representatives.

We appreciate that reaching a compromise is not easy and likely to require sacrifices and risks on both sides. However, the Dalai Lama has taken a big step in no longer calling for Tibetan independence. Instead, he seeks genuine autonomy for Tibet through his non-violent "middle way approach". We are encouraging the Chinese Government to respond constructively to the Dalai Lama's stance.

In our view, setting pre-conditions for dialogue to take place is not a helpful step. Experience elsewhere suggests that setting such conditions can delay talks indefinitely, stop trust developing and mean that fruitful exchanges, which could contribute to a lasting solution, never happen.

I want to stress that, in our view, it would be lamentable if the Chinese Government lost the opportunity to negotiate with the Dalai Lama, who has such authority over his people and is in a unique position to agree a lasting and legitimate solution to the benefit of Tibet and China. We sincerely hope that the Chinese Government have the courage to grasp the opportunity that His Holiness offers.

The hon. Gentleman asked several questions. First, he asked me to confirm that the UK position on Tibet has not changed. I confirm that successive British Governments have regarded Tibet as autonomous while acknowledging the special position of the Chinese authorities there. That remains the case.

The hon. Gentleman also asked about Tibetans in Nepal. The UK has lobbied the Nepalese Government about the closure of the Tibetan refugee welfare office. I understand that registration of the office is proceeding and we will continue to monitor the position.

The hon. Gentleman asked whether we could do more to express our concerns about human rights. We raise our anxieties regularly through the UK China human rights dialogue. It conducts a regular, high level of exchange. We held the previous round in June in London. As the hon. Gentleman said, the next dialogue on human rights with China takes place in the autumn, when we lead the EU China human rights dialogue. I agree with him and the hon. Member for North Southwark and Bermondsey (Simon Hughes) that that gives us an opportunity during our presidency to raise the issue again. We shall do that. Ministers regularly meet the Chinese authorities and our counterparts and discuss human rights issues, including at the highest level. As I said, when the Foreign Secretary was last in China, he raised human rights. I intend to be in China next week and I shall take the opportunity as part of my visit to raise human rights issues.

The hon. Gentleman asked about the embargo. As he will know, in December 2003 the European Union agreed to launch a review of the EU's arms embargo on China. The UK Government, and indeed the EU as a whole, have not yet decided whether to lift the embargo imposed after the demonstrations in China in 1989. The review continues, and will take all relevant factors into account. The EU is obviously also interested in the views of the United States and other countries. It would be wrong to pre-empt the review's conclusion. In the meantime, we will continue to implement the embargo fully.

Many people in the UK are also interested in the possibility of establishing an EU special representative for Tibet. I have considered whether we should be making approaches, but it is not clear to me that this is the right time to think about such an appointment, especially as I understand that the US special representative on Tibet, who was appointed some time ago, has not yet been able to visit the region. I suggest that in such circumstances the EU-China human rights dialogue remains a better mechanism for encouraging change, supported by the bilateral efforts of individual countries.

Norman Baker: The Minister is making a very constructive speech, whose value the whole House will recognise. May I return him to the point that I made about the pieces of paper that the Chinese sign? We often take them as evidence of progress when we are considering international relations, but as I have said, I believe that they are tactics rather than demonstrating any significant advance. What steps does the Minister feel he can take to secure independent assessment of what the Chinese are actually doing, rather than reliance on what they tell us they are doing?

Ian Pearson: I do not want to doubt the genuineness of the Chinese authorities when they sign agreements. It is important, however, for us to hold them to their commitments, and we try to do that through the human rights dialogue. We try to obtain information on what is happening in regard to human rights in Tibet, and indeed in China, from a number of sources. When concerns are expressed and there is evidence to substantiate them, we seek opportunities to raise them with the Chinese authorities, just as we would want to raise concerns about human rights abuses wherever we find them in the world. If there is one thing that can be said about the UK Government, it is that we are very consistent in raising human rights issues and human rights abuses wherever they may be found.

Harry Cohen: I agree that the Minister is making a very constructive speech, and I wish him well in China next week. Will he re-emphasise the point about going into negotiations without conditions? Some of the conditions are meaningless in the context of a proper discussion.

Ian Pearson: I am happy to confirm that we want to do exactly that. We want to see a dialogue take place between the Dalai Lama and the Chinese authorities. I assure the House that the UK Government will continue to do what they can to encourage positive change in Tibet and in China. The Department for International Development is engaged in water and sanitation and education projects in Tibet, and the Foreign and Commonwealth Office will continue to engage in issues of concern through our embassy—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MADAM DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at nineteen minutes past Eleven o'clock.

House of Commons

Wednesday 29 June 2005

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Ethiopia

1. **Tim Loughton** (East Worthing and Shoreham) (Con): Whether the UK's position on aid for Ethiopia has changed as a consequence of (a) border hostilities with Eritrea and (b) uncertainty over the recent election results; and if he will make a statement. [7781]

The Secretary of State for International Development (Hilary Benn): The UK's position on the border question between Ethiopia and Eritrea remains that the boundary commission decision is final and binding and that both parties should discuss the issues that separate them. On the Ethiopian elections, we have made clear our view that the complaints investigation process should be completed as soon as possible, that the deaths resulting from civil disturbances should be investigated and that those detained should either be released or charged. Until the situation is clearer, I am putting on hold plans to increase budget support this year by £20 million.

Tim Loughton: I am grateful for the Secretary of State's answer, because those of us who are familiar with Ethiopia will know that the most progress that has been made in that country has come since the end of 21 years of conflict with Eritrea and a return to democratic processes of sorts, and yet 100,000 Ethiopian troops are posturing on the border, and almost two months after a general election there is no result, with many anticipating that it was won by the opposition. Can he tell me what steps he will take in the future to remind the Ethiopian Government that British and other aid is in part contingent on an avoidance of military conflict and a promotion of democratic processes in that country, which are most of all in the interests of the Ethiopian people?

Hilary Benn: I agree with the hon. Gentleman. When I was in Ethiopia two weeks ago I spent an hour with Prime Minister Meles discussing those issues. The decision that I have taken to hold for the time being the increase in budget support is in recognition of the real crisis there. Currently, there is no election result, with many claims and many complaints about the electoral process. The only way to resolve those, and to allow the voice of the Ethiopian people to be heard, is for the national election board to complete its work. In the meantime, we very much hope that the countries will not return to fighting each other, because the real issue in Ethiopia is fighting poverty.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): As someone who has also been to Ethiopia and met Prime Minister Meles, as I understand it, the general election results will be made known on 8 July. Is the Secretary of State saying that, notwithstanding those results, he will give no further aid until he is satisfied in relation to those who are in prison?

Hilary Benn: A large number of people who were arrested have now been released—about 2,700 according to our best estimate—and about 1,500 people are still in detention. My hon. Friend is right that 8 July is the date by which the result is supposed to be declared, but given that 140 complaints have now been approved by the national election board for investigation, and that there is a full process to allow those investigations to take place, including rights to appeal, it is hard to see the results being declared by 8 July. What everyone wants is for the process to proceed to a successful conclusion—namely, the voice of the people being heard and the results being declared. In the circumstances, it is right to wait and watch and to see what the outcome is.

Mr. Laurence Robertson (Tewkesbury) (Con): I would normally pay tribute to the Secretary of State's deep interest in Ethiopia, and he has carried out a great deal of useful work. I am concerned, however, that he has now put on hold the increase in assistance to Ethiopia. It is true that there has been an unfortunate incident, which is being investigated, but we need to recognise how far Ethiopia has come in the past few years, and we ought to encourage that country. Elections have recently taken place in Ethiopia, and yes, there are complaints, but we must recognise that for the first time those elections were open to international observers, many of whom were complimentary. Can I therefore suggest that the Secretary of State examine the situation closely? Can I also—*[Interruption.]*

Mr. Speaker: Order.

Hilary Benn: I recognise the hon. Gentleman's close interest in Ethiopia and agree with him that until polling day and what happened afterwards, the election process was quite remarkable, with 1 million people demonstrating in Addis and the opposition winning every seat in the capital and having access to the media for the first time. In the context of the history of Ethiopia, that was an extraordinary change, which makes the violence and arrests, including of workers of the Coalition for Unity and Democracy, the main opposition party, who are needed to participate in the national election board process, a source of such concern. I can assure him, however, that I will keep a close eye on the situation and that we remain firmly committed to our development partnership with Ethiopia, as the challenges are enormous.

Currently, through support to the safety net programme of £70 million over three years, we are helping to give food and money to people so that they can improve their lives.

Mr. Eddie McGrady (South Down) (SDLP): Does the Secretary of State agree that irrespective of boundary disputes or elections, the overwhelming, underlying problem in Ethiopia is the starvation of ordinary people? When he was visiting the country two weeks ago, did he share the experience of some people from Northern Ireland, teachers and past pupils, who went there to build a village school? When they got there and saw young children falling by the wayside, suffering from malnutrition and blind from lack of nurturing, they decided that their role should instead be to come home and raise money to feed those people. On their way out of that village, mothers pleaded with them to take their children back to Ireland. Will the Minister make every endeavour at the G8 summit to ensure that, irrespective of Government interventions and misdeeds, ordinary people get food in their tummies?

Hilary Benn: I am happy to give my hon. Friend that assurance. According to the current estimate, about 10 million people need food aid. The number goes up or down each year, depending on the harvest and the rains.

The safety net programme that I mentioned in my last answer is a practical expression of our determination to work with the Ethiopian Government to provide support. I applaud all who are working in whatever way—whether helping to provide education or raising funds for relief and humanitarian support—because this is a country in which many people live on the margins of existence every single day of every single year. That is why the chance of development for Ethiopia is so important, and that is why a proper outcome of the democratic process would be the best way of helping the country to have a better future.

Good Governance

2. **Alistair Burt** (North-East Bedfordshire) (Con): What steps he is taking to ensure that UK aid rewards good governance in the developing world. [7782]

3. **Mr. Andrew Mackay** (Bracknell) (Con): What steps he is taking to ensure that UK aid rewards good governance in the developing world. [7783]

The Secretary of State for International Development (Hilary Benn): Good governance is essential to reducing poverty, and we take account of governance in allocating UK aid. DFID is supporting action against corruption, the reform of public financial management and improved accountability and transparency, through, for example, the extractive industries transparency initiative. We are also assisting the African peer review mechanism.

Alistair Burt: The Secretary of State's suspension of the increase in aid to Ethiopia is a mark of his concern about governance there. It contrasts markedly with the Home Secretary's failure to make a similar gesture in response to concern about Zimbabwe. But in the event of a major humanitarian crisis involving famine and homelessness in Zimbabwe, how will the Secretary of State achieve the difficult balance of supporting those in need while not indirectly rewarding the perpetrator of the original injustice?

Hilary Benn: We do that in Zimbabwe. In the past we have supported a programme of food aid, along with others in the international community. Following the disgraceful demolition of homes, which has cast people out on to the street in the cold, we have so far given $570,000 to the International Organisation for Migration and, most recently, to UNICEF, to provide practical assistance for those who have lost their homes. As the hon. Gentleman will know, we also have an HIV/AIDS programme in Zimbabwe, which we operate through non-governmental organisations and others. As he will also know, we do not give any financial assistance directly to the Zimbabwe Government.

Mr. Mackay: May we have an absolute guarantee that in the case of a barbarous regime like Mugabe's in Zimbabwe, which is doing horrendous things to its people—as we see with the demolition of all those homes—all our financial aid goes only to NGOs, and nothing whatever is allowed to go to a Government who would politically manipulate aid to their own ends?

Hilary Benn: I am happy to give that assurance. We work through others. The case of Zimbabwe demonstrates that our concern for good governance is reflected in the decisions that we make through our aid programme about the way in which we give our support, but ultimately the fact that the people of a country have a rotten Government should not prevent them from receiving appropriate financial assistance, and we will continue to provide it.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Has my right hon. Friend had more time to consider last year's report from the International Development Committee, which referred to the Africa Commission's work on good government? In particular, has he noted the Committee's views on the Swedish model and its recommendation on systematic reporting to Parliament on these issues?

Hilary Benn: My right hon. Friend has raised an important point. This is one step that we are taking: our agreements with aid partners, in which each side undertakes to make commitments, will now be displayed on the DFID website. That is our own act of transparency, showing people the basis on which we make decisions about aid.

The report adopted by the Swedish Government also reflects the importance of ensuring that all the steps that we are taking, involving aid, debt relief and trade, are consistent so that we can support development, including good governance.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Whilst it is enormously important to support good governance in developing countries, along with the building of integrity structures, does my right hon. Friend agree that it is time that the rich countries in the developed world stopped poaching medial staff from the developing world? Does he further agree with

the chairman of the British Medical Association that the G8 ought to support a commitment to ensuring that the developing world is self-sufficient in medical staff?

Hilary Benn: This is a very important issue, and my hon. Friend will be aware of the code of practice that the Department of Health has adopted, which has recently been extended, by agreement, to the private recruitment agencies. It is leading the world in saying that we will not recruit directly from developing countries, but we must recognise that the second step that we can take is to support developing countries in trying to address the causes of doctors, nurses and others leaving those countries and taking their skills elsewhere. As the House will know, those causes are principally poor pay, poor working conditions, and lack of opportunity for career and professional development. So what will really make a difference in the long term is the aid that we give to support developing countries in building their health services, paying their doctors and nurses more, and providing better working conditions, housing and the drugs with which to work.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): I recently attended a presentation in Northern Ireland on the report of the Commission for Africa. Some of the non-governmental organisations represented at that meeting expressed concern about the failure of international Governments to address the issue of education, even though targets have been set. Last year, I, like many other Members, visited schools to promote the objectives that the international community has set to improve education in developing countries. Can the Minister give us an update on what our Government are doing to ensure that education is a priority in the effort to improve governance in the continent of Africa, and in other developing parts of the world?

Hilary Benn: The first thing that we are doing over the next three years is investing, bilaterally and through our contributions to multilateral development agencies, £1.4 billion in education. We are seeing some progress, including in Kenya, which has abolished school fees in the past couple of years. Kenya now has a million more children in school, and we helped to pay for that through our increased aid, with the support of other donors. That shows that such countries do want to make progress in tackling the obstacles that prevent children from attending school. But in Africa, more than 40 million children are not where they ought to be today—in a school classroom with a teacher and a desk. That makes the discussion in the run-up to the G8 and the increased aid to which Europe is now committed so important. It is a way in which—along with debt relief—we can provide very practical assistance, so that finance and education Ministers can be confident that they have the money they need to employ the teachers, build the classrooms and buy the textbooks, thereby getting those remaining children into school.

Mr. Piara S. Khabra (Ealing, Southall) (Lab): Can the Secretary of State explain a little more about the criteria for good governance, and can he name a few of the countries to which he will apply those criteria?

Hilary Benn: The criteria are first, that the money that we give in aid should go towards poverty reduction; secondly, that human rights and international obligations are upheld; and thirdly, that there is strong financial management and action on corruption. We write such conditions into our aid agreements. We have already discussed Ethiopia, and I have decided to hold back some of the budget support in respect of Uganda and Sierra Leone, because progress there has not been sufficiently great. We are also working in countries such as Nigeria, Malawi, Sierra Leone and Zambia to provide practical support for the anti-corruption commissions, because tacking corruption is fundamental to good governance.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Does the Secretary of State accept that while everyone at Live8 in Edinburgh on Saturday and around the country will be wishing the British agenda every success at the G8 summit in Gleneagles, hard-working British taxpayers will insist that extra money for aid be spent precisely in the way intended, rather than being siphoned off—as has happened all too often in the past—into the Swiss bank accounts of corrupt African leaders?

Hilary Benn: I do indeed accept that British taxpayers and those attending the concert will want to be reassured on that issue. As the hon. Gentleman knows, Britain has, in truth, a pretty good record in this regard. We take decisions on the way in which we give our aid according to our assessment of the circumstances, and we are very vigorous in monitoring how that money is used. The hon. Gentleman will also recognise that there has to be a strong lead from the developing countries themselves. That is why I welcome the steps that Nigeria, for example—a country that has suffered grievously from corruption in the past—is now taking to bring those who are acting corruptly to book, and to reform the running of public finances.

Mr. Mitchell: We all strongly agree with that. If we are to build on the good governance provisions first set up under the last Conservative Government by Chris Patten and Lynda Chalker, will the Secretary of State consider additional structural ways of promoting the audit, accountability and, above all, the transparency of aid spending so that taxpayers around the world, as well as poor people in Africa, can be reassured that aid funds are being well spent?

Hilary Benn: I agree: there is an obligation on all of us to be able to demonstrate to our constituencies and our own Parliaments, as we do in the UK, how our aid money is used. I am committed to transparency, but I am also committed to it on the part of our partners. That is why the UK launched the extractive industries transparency initiative, which is all about encouraging oil and mineral extracting companies to be open about the payments they make to developing country Governments, and encouraging those Governments subsequently to be open about the money that they receive. With that openness comes a better functioning democracy, because it means that people in developing countries can ask their Governments what they have done with the money.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend agree that if we followed the advice of Conservative Members, we could end up removing aid

from some of the most vulnerable people in the third world? If they really believe what they are telling us, perhaps they should appear in front of the conference centre housing the G8 conference with placards saying, "Make Poverty Permanent"!

Hilary Benn: I would say to my hon. Friend that we all want to make poverty reduction permanent. I believe that good governance is fundamental to making progress in reducing poverty. There is no question about that whatever, and we should all be in favour of transparency and openness about the way in which aid money is used. We are giving increased development assistance because we want to help developing countries, but progress will sometimes be fitful. In the end, we have to make a judgment about whether a country is moving in the right direction. That, in the end, should be the fundamental judgment that determines the aid that we give, and I hope that the Opposition will support that approach.

Andrew George (St. Ives) (LD): While hectoring others on governance, will the Secretary of State reassure the House that Britain will itself sign up, and will encourage other G8 nations to sign up, to the United Nations convention against corruption? Will he also assure us that the Government's practices on arms sales will ensure that—in future, unlike at present—we do not provide arms to regimes in developing countries that are persistently abusing human rights?

Hilary Benn: On arms sales, the hon. Gentleman will be aware that the Export Control Act 2002 provides a very strong framework, under which we take decisions based on the purpose for which the weapons will be used. If they are to be used for conflict or internal repression, we refuse licences. On the UN convention, we are committed to ratifying it, we have tightened up our money laundering legislation and we have given the UK courts jurisdiction over UK nationals who engage in bribery overseas. The Proceeds of Crime Act 2002 will allow for the speedier freezing of assets and we are now putting in place better arrangements to help developing countries to repatriate money that has been stolen from them. All those are indications of our commitment to act to tackle corruption.

Dr. Nick Palmer (Broxtowe) (Lab): Does my right hon. Friend accept, as I think he will, that the issue is extremely complex? To anticipate today's Question 6, tabled by my hon. Friend the Member for North-West Leicestershire (David Taylor), does the Secretary of State agree that we also have to avoid imposing unreasonable restrictions on how the Governments of developing countries perform? What we are trying to do is to make them honest while respecting their right to independence. Does my right hon. Friend agree?

Hilary Benn: Yes, I do. When it comes to economic policy conditionality, the new policy document which I published in March makes it very clear that it is inappropriate for us to enforce particular policy choices. However, when it comes to human rights and good governance, I believe that it is right and proper—to ensure that our money is used for the proper purposes—to attach appropriate conditions. In the end, it is about getting the balance right and finding the right type of conditionality.

Darfur

4. **Lynne Featherstone** (Hornsey and Wood Green) (LD): If he will make a statement on the humanitarian situation in Darfur. [7784]

5. **Mr. John MacDougall** (Glenrothes) (Lab): If he will make a statement on the humanitarian situation in Darfur. [7785]

The Secretary of State for International Development (Hilary Benn): The humanitarian situation in Darfur remains one of grave concern. Just under 2 million people have been displaced from their homes, and 2.7 million need humanitarian assistance. The international effort has grown over the past year, and malnutrition in the camps has fallen below emergency levels, from over 30 per cent. a year ago to between 5 and 10 per cent. now. However, the situation could deteriorate during the forthcoming hungry season, when up to 3.5 million people will require food.

Lynne Featherstone: Do the Government recognise that there is now a need for peace enforcement action by the UN Security Council to provide for a substantive increase in the African Union presence in Darfur, and a stronger mandate? Without that, the situation there is so unstable and insecure that hundreds of thousands of refugees and internally displaced people will not feel safe and are unlikely to return.

Hilary Benn: The hon. Lady is absolutely right about the importance of civilian protection. I was in Darfur two weeks ago, and given what I saw and what people told me, that is the principal priority. She refers to the mandate, and I went to Darfur with an open mind about that. However, everyone to whom I spoke said that the AU was doing an outstanding job in providing civilian protection in those places where it is based. That is why Britain is providing strong support for the expansion of the AU force. Currently, it has 2,700 troops on the ground, but that number will increase to 7,500. When I was there, I announced an increase in our support. Britain will now provide £19 million to enable those forces to deploy and airlift extra vehicles and logistic support. The most important thing is to get more AU troops there. The people in the camps told me that they feel safest when the AU is close by.

Mr. MacDougall: I welcome the commitment shown by my right hon. Friends the Secretary of State and the Prime Minister to Darfur and to Africa, and the initiatives that they have undertaken. I urge them most strongly to continue their commitment to making poverty history in Africa. My Glenrothes constituent Ian McCaulay visited Darfur recently to make a voluntary contribution to education there, and he has suggested that training teachers in Sudan would be of particular benefit. Does my right hon. Friend agree that such assistance could play a large part in rebuilding Africa's educational structures? *[Interruption.]*

Mr. Speaker: Order. Before the Secretary of State replies, I ask that the House come to order.

Hilary Benn: I very much welcome what my hon. Friend's constituent is doing to contribute to Sudan's development. Before I visited Darfur, I went to Rumbek in southern Sudan, where one child in four dies before the age of five, and three quarters of adults cannot read. The need for development in southern Sudan is therefore enormous. There is peace there now and refugees are beginning to return. That is why we are increasing our development assistance, to provide the basics to support the Government there in getting children into school and providing health care.

Mark Simmonds (Boston and Skegness) (Con): The terrible human suffering continues to intensify in Darfur and the Secretary of State has said already that up to 3.5 million people are likely to face food shortages between August and October. We welcome the Government's increased contribution to the AU mission in Darfur and fully support the expansion of the AU force. We are also encouraged by the decision of the International Criminal Court to investigate war crimes suspects. However, the Sudanese Government have responded by setting up a special criminal court that has met with huge international scepticism. Will the right hon. Gentleman confirm that that court will not deter or deflect the international community from bringing to justice the people who perpetrated such appalling atrocities in Darfur?

Hilary Benn: I am happy to give the hon. Gentleman that assurance. He will know that Britain was one of the first and strongest supporters of the ICC, and I pay tribute to the role played by my right hon. Friend the Foreign Secretary in getting the UN Security Council to agree to refer the Darfur atrocities to the ICC. By doing that, the world has sent the very clear message that those responsible for the atrocities will not be able to escape. We will press forward with our determination to ensure that they are brought to justice.

Mary Creagh (Wakefield) (Lab): Is my right hon. Friend aware that the UN announced on Monday that it has only £3 million of the £31 million it needs for its protection work in Darfur? Is he further aware that rape is being used as a weapon of war in Darfur and that further protection measures are needed for children who experience extreme sexual and physical violence, as well as the psychological trauma of war? Can he reassure the House that during Britain's presidency of the G8 he will lead donor countries and ensure that Sudan does not become the forgotten conflict of Africa?

Hilary Benn: I am happy to say to my hon. Friend that we will indeed do that. There is a real problem of women in particular being attacked when they move outside the camps. It is highly regrettable that the response from the Government of Sudan was to arrest two people from Médecins sans Frontières who had published a report describing the women's experiences, instead of arresting the people responsible for the rape. The two people have now been released as a result of representations that I and others in the international community have made, but that demonstrates how far we have to go to provide effective protection to those who are now sheltering in the camps.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [7766] **Adam Price** (Carmarthen, East and Dinefwr) (PC): If he will list his official engagements for Wednesday 29 June.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Adam Price: Does the Prime Minister still regard Sir Richard Dearlove as having been a reliable source of information on Iraq? If so, is it safe to assume that Sir Richard's statement in the summer of 2002 that the intelligence and facts were being fixed around the policy was an accurate assessment of the intentions and actions of the Bush Administration?

The Prime Minister: As I am sure the hon. Gentleman knows, that memo and other documents of the time were covered by the Butler review. In addition, that was before we went to the United Nations and secured the second resolution, 1441, which had unanimous support. Contrary to the hon. Gentleman's view, when I stood next to the new Prime Minister of Iraq, who had five of his relatives assassinated by Saddam, and realised that he was in power because of the democratic votes of 8 million Iraqis, I was glad that we took the action that we did and ensured that Iraq was no longer governed by a dictatorship but by a democracy.

John Mann (Bassetlaw) (Lab): Many retired mineworkers from my constituency have had their photographs in the papers this week. Does my right hon. Friend agree with them and me that every retired miner with an industrial injury claim should receive every penny of their compensation?

The Prime Minister: It is important that people receive their compensation properly. That was one of the changes that this Government introduced when we came to office. Tens of thousands of miners had suffered as a result of having worked in the mines and, thanks to this Government, they received the compensation to which they were entitled. Of course, that compensation should go only to those who are entitled to get it, but billions of pounds has been paid out to people who desperately needed our help in some of our poorest constituencies.

Mr. Michael Howard (Folkestone and Hythe) (Con): The Prime Minister and I agree on the importance of both aid and trade in helping developing countries lift themselves out of poverty. The next session of world trade talks takes place in December. The UN Task Force on Trade has said:

"Developing countries are at a disadvantage in representing their interests and participating effectively in the negotiations due to resource constraints."

In other words, they do not have the money to hire the expertise they need to fight their corner at the talks.

Yesterday, I wrote to the Prime Minister giving him notice that I would raise today our proposal for an advocacy fund that would enable developing countries to pay for the expertise they need. Will he consider that proposal in advance of the G8 summit next week?

The Prime Minister: I thank the right hon. and learned Gentleman for advance notice of that question. The advocacy fund is something that he has raised before and I shall give him my answer to it. He is right to say that part of the problem of developing countries is that they do not have the capacity to argue their case on trade. Nor do they have the capacity within their Governments to make the best use of any opening up of the markets that the G8 and other forums may agree. That is one of the reasons why we have provided over the past few years some £200 million to countries specifically for building capacity in respect of trade. The European Union also provides several hundred million pounds for that task.

The advice that I have is that the trouble with the advocacy fund that the right hon. and learned Gentleman suggests is that countries would prefer to receive the aid in the way in which it is given to them at the moment. We have not received any representations from them for such a fund. Obviously, I will continue to look at the proposal closely, as is proper since he has asked me to do so, but the best advice that I have at the moment is that it is better to proceed as we are now.

Mr. Howard: Of course it is important that developing countries get help to build their own capacity, but the UN Task Force on Trade has said that there is a need for resources to be provided for the specific purpose that I have just identified. The Hong Kong talks are, after all, just months away and it is vital that developing countries should not be disadvantaged in those talks. Is it not the case that without the resources that an advocacy fund would provide, those countries risk going into those talks with one hand tied behind their back? Surely we need to take action now, and is not the setting up of an advocacy fund precisely the kind of action that would deal with that problem?

The Prime Minister: We must distinguish between the question of a separate fund and the need to give those countries help as well as make the case on trade and enable them to gear themselves up for the opening up of markets. On the latter point, we are in total agreement, and that is why we have been providing such help. For example, I understand that there was a trade ministerial meeting in Zambia a short time ago in which, together with the Swedes and the Canadians, we specifically gave help in order for developing countries to have the resource necessary to put their case effectively. The question is not whether we should give that help; the question is, is it best to establish a separate fund or are we best offering help as we do now, on the basis of our own bilateral links with individual countries and through the European Union? All I am saying is that judging from the representations that we have received, we are best to maintain our current arrangements, without setting up a separate fund. Indeed, I think the developing countries worry that such a fund would set bureaucratic hurdles in their way.

I totally agree with what the right hon. and learned Gentleman says and, in terms of the general point and what the UN Task Force on Trade says, we are providing that help now. I am asked whether it would be better to provide that help through a separate fund. The advice that I have is that it would not.

Mr. Howard: I am sorry that the Prime Minister continues to reject a proposal that, for a tiny fraction of the cost of the aid programmes that he is rightly championing, could make a real difference to the ability of developing countries to lift themselves out of poverty through fairer trade. But that, of course, is not the only issue that will be before the G8 next week.

On Monday, the Minister for Trade said that we should not allow Zimbabwe to get in the way of helping other countries of the G8. But is it not clear that the two go hand in hand, and that tackling head-on the issue of Zimbabwe would send the clearest possible signal that the west will not turn a blind eye to injustice and repression, there or anywhere else? So when President Mbeki comes to the G8 next week, will the Prime Minister undertake to leave him in no doubt of what the world expects of him in terms of action to help the suffering people of Zimbabwe?

The Prime Minister: I can assure the right hon. and learned Gentleman that I will certainly do that, as I have done constantly, and of course the G8 Foreign Ministers' meeting specifically referred to the desperate situation in Zimbabwe and the appalling cases of torture and abuse of human rights that occur there daily. We will continue to exert all the pressure that we can, but I think he would accept, as we must accept, that in the end the best pressure will come from those countries surrounding Zimbabwe. That is why he is right to say that we must ensure that African countries realise that they have a great responsibility to sort this out themselves.

I would like to make another point on this. We are going to the G8 to make the case for helping poverty in Africa. There is no doubt at all that it is harder to make that case while abuses of governance and corruption occur in African countries. I do not believe that what is happening in Zimbabwe should prevent us from still taking action on poverty in Africa; I think that would be wrong, but it is also right to say that we should draw attention not just to the abuses in Zimbabwe but to the urgent necessity to change what is happening in that country, for the benefit of its own citizens.

Huw Irranca-Davies (Ogmore) (Lab): The Bridgend area in south Wales has for a long time been one of the leading places in Wales in terms of job creation, employment and economic growth. Today, however, we have had the devastating news that one of our large inward investors, Sony in Bridgend and Pencoed, which has employed hundreds of the work force over 30 years, has made the sad decision that, because of the decline in old-fashioned tube technology for colour television, it will be sacrificing up to 650 jobs.

Will the Prime Minister join me in extending his thanks to the work force of Sony Bridgend, who are very skilled and hard-working? Will he also use his good offices to work with the Secretary of State for Wales and the Welsh Assembly Government to do what this

Government do well, which is to put in place a rescue package for that work force to provide the high-paid, high-skill jobs that will lead Bridgend into a good future for that work force and their families?

The Prime Minister: I am sorry that my hon. Friend's constituents have lost their jobs at Bridgend, and he is absolutely right in saying that it is our responsibility as a Government to put in place a proper package of support and help. I know that he will have meetings with Ministers, and I am happy to see him myself about and to ensure that we put in place every assistance that we possibly ca. The situation is particularly tragic since it comes at a time when, yet again, this country has been designated No. 1 for foreign direct investment in the European Union—so we are drawing in jobs. Unfortunately, however, for the reasons to which he rightly draws attention, the changing way that the market is working means that it is very hard for people to remain secure in their jobs, even with excellent companies such as Sony. However, we will certainly do everything that we can to help people in that situation.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Given that we know from the Government's own figures that one in five people do not possess passports and that very many of them, obviously, are elderly people who are unlikely to require or seek passports in the future, will the Prime Minister just clarify for us how much people in that category will have to pay for their stand-alone identity cards?

The Prime Minister: As we have said on many occasions, there is no question of moving to a compulsory identity card before there is a proper vote in the House. *[Interruption.]* I am sorry, but I do not think that that is new; we have always said that. I have read yesterday's debate carefully and it is obvious that many hon. Members have a great many concerns, to which we will have to listen and respond. I hope that people also recognise, however, that with the advent of biometric technology, there is a real chance of getting, for the first time, a secure identity card that can yield many benefits for this country.

Mr. Kennedy: Following yesterday's debate and the Divisions at the end of it, there is disquiet in all sections of the House about many aspects of the legislation, as the Prime Minister properly recognises. Will he clarify one thing? If it proves to be the case in due course that the House of Lords rejects the legislation, based on his 35 per cent. of the vote—*[Interruption.]* If the House of Lords rejects the legislation, ultimately will the Prime Minister invoke the Parliament Act to force it through?

The Prime Minister: Let us wait and see what happens in the other place, but the legislation was a commitment of my party that we fought the election on, and we are the duly, democratically elected Government. However, more important is the point that the right hon. Gentleman is making: there are real concerns, expressed in different parts of the House. We will listen to those concerns and respond to them. I simply ask in turn that people also listen to the case that is being made, which is that the advent of the new technology and the fact that we must change our passport system, as the result of changes happening elsewhere in the world, mean that it makes sense to move to a secure identity card for today's world. That will help us not merely with things such as illegal immigration and fighting terrorism and organised crime, but by bringing direct benefits to the citizens. Okay, we are at the beginning of the debate. Let us have the debate and let us both listen to each other's points of view. I will listen to the points that the right hon. Gentleman is making, but I simply ask that people also assess the arguments on the other side of the ledger.

Anne Moffat (East Lothian) (Lab): I am sure that my right hon. Friend will want to join me in congratulating my own trade union, Unison, on winning a political fund ballot. Does he not agree, though, that it is about time that we did away with them?

The Prime Minister: I assume that the question is not about doing away with either Unison or the political fund, but the ballot. It is always a question of balancing the bureaucracy with the need to ensure that the political fund has proper legitimacy. As my hon. Friend knows, we continue to keep that under review, although we have no pleasant, rather present—pleasant, or present—plans to change the law.

Q2. [7767] **Mr. David Laws** (Yeovil) (LD): On the issue of tax credit overpayments, the Prime Minister told the House that

"we will not seek to get the money back if the error is on the part of the Inland Revenue."—[*Official Report*, 22 June 2005; Vol. 435, c. 798.]

Can he confirm that that is not actually the case and, one week on from the ombudsman's report, will he say whether he is confident that the Inland Revenue has not acted unlawfully in its recovery policy on tax credits?

The Prime Minister: Of course, the Inland Revenue must not act unlawfully, but my understanding is that the code of practice makes it clear that if the error is on the part of the Government rather than the recipient, there is not a recovery. [HON. MEMBERS: "No."] I will look carefully at the point that the hon. Gentleman makes and come back to him.

Q3. [7768] **Mr. Chris Mullin** (Sunderland, South) (Lab): As my right hon. Friend will be aware, he will shortly have to make a decision about whether to invest in a new generation of nuclear weapons. What assurance can he give the House that, before any irrevocable decisions are made, he will take Parliament into his confidence?

The Prime Minister: I understand that my right hon. Friend the Secretary of State for Defence has already made it clear that the Government will listen to hon. Members before making any decisions on replacing Trident. I also have to say to my hon. Friend that no decisions on replacing Trident have yet been taken, but these are likely to be necessary in the current Parliament. It is too early to rule in or to rule out any particular option. As we set out in our manifesto, we are committed to retaining the United Kingdom's independent nuclear deterrent, but I am sure that there will be plenty of opportunities to discuss that before the final decision is taken.

Mr. Michael Howard (Folkestone and Hythe) (Con): The Prime Minister told the European Parliament last week:

"I am a passionate pro-European. I always have been ... In 1983, when I was the last candidate in the UK to be selected shortly before that election and when my party had a policy of withdrawing from Europe, I told the selection conference that I disagreed with the policy."

However, in his election address for that very same election—I have a copy here—he said:

"We'll negotiate a withdrawal from the E.E.C. which has drained our natural resources and destroyed jobs."

Which was his true opinion—the one he expressed in private or the one he expressed in public?

The Prime Minister: As I think I explained, it was, indeed, the party's policy to withdraw from Europe in 1983, and I stood on that policy. However, it is also true that I told the selection conference that I did not agree with that policy.

Mr. Howard: I was asking the right hon. Gentleman about his personal election address at that election and about two completely different views that he expressed within days of each other. He is doing the same now. On 8 June, he said that the UK rebate would remain and would not be negotiated away—"Period." Two days later, he said everything was open to debate as long as there was a fundamental review of the common agricultural policy. Now he talks of negotiating on the rebate in exchange for some promise of discussions on the CAP in 2008. On which of those shifting positions will he take a stand?

The Prime Minister: I can assure the right hon. and learned Gentleman that, as I have said before, the rebate remains because the reason for the rebate remains. Of course, if we get rid of the common agricultural policy and we change the reason why the rebate is there, the case for the rebate changes. *[Interruption.]* Well, that is obviously right. The rebate is there because the common agricultural policy distorts EU expenditure. Or is the right hon. and learned Gentleman saying that, even if we get rid of the common agricultural policy, we should still have the full rebate?

Mr. Howard: Does the Prime Minister not understand the difference between talking about reform of the CAP and getting rid of the CAP? On 8 June, he said that the UK rebate would remain and would not be negotiated away—"Period." Two weeks later he boasts to the European Parliament:

"I am the only British leader that has ever said I would put the rebate on the table."

Does it not all prove that, with this Prime Minister, old habits die hard?

The Prime Minister *rose—*

Mr. Howard: No, no, no—I have not finished yet. In 1983, the Prime Minister told his selection committee in Sedgefield one thing and the electors the opposite. In 2005, he tells the House of Commons one thing and the European Parliament the opposite. When will he learn that he cannot carry on saying one thing to one audience and the opposite to another?

The Prime Minister: In my statement to the House after the European Council, I made clear our position on the rebate—that we were prepared to put the rebate on the table provided that reform of the common agricultural policy was carried out. So, I think that the right hon. and learned Gentleman has woken up a bit late, 10 days later, to that proposition. Let me say something else to him. It is of course important that we have a consistent position on Europe, but if we are trading inconsistencies on Europe, I think he is the man who voted for the Maastricht treaty, is he not? And I think he actually voted against a referendum on the Maastricht treaty, am I right? Something about glasshouses and stones comes to mind.

Mr. Denis MacShane (Rotherham) (Lab): When my right hon. Friend meets the G8 leaders in Scotland, will he particularly impress on the President of the United States and the Prime Minister of Japan that their common agricultural policies are every bit as pernicious as the European ones? Their agri-protectionism and dumping of products on the third world cause great harm to the economic prospects of people in developing countries. Will my right hon. Friend tell them that without some movement, in particular from the United States, the chances of reaching a successful Doha round completion in December are, to put it mildly, quite thin? We need movement from Europe and my right hon. Friend is taking a lead on that, but can he ask President Bush to join him in moving American agricultural policy away from its ultra-protectionist position?

The Prime Minister: My hon. Friend is right; it is not just the European Union that has protectionist agricultural policies, and we need to get rid of that protectionism whether it is in Europe, the United States or Japan. Of course, the difference in terms of the US and Japan is that we are not paying for their agricultural policies; however, in respect of developing countries my hon. Friend is absolutely right. We need more open trade and an opening up of markets generally, and an end to trade-distorting subsidies that are the real problem faced by the poorest countries.

Q4. [7769] **Mr. Gerald Howarth** (Aldershot) (Con): As we celebrate—as some of us had the privilege of unashamedly doing yesterday—the bicentenary of Admiral Nelson's magnificent naval victory over Napoleon's France, how does the Prime Minister respond to the concerns expressed by the First Sea Lord who has stated that the Government are taking a risk by cutting the Royal Navy's fleet of destroyers and frigates from 32 to 25? Does not the Prime Minister think that Her Majesty's armed forces have served him better than that and that he ought to reciprocate by giving them the means to do the job that he keeps asking them to do?

The Prime Minister: We are of course giving them the means. In fact, as opposed to a Conservative Government who cut defence spending by 30 per cent.— *[Interruption.]* Oh yes, and the hon. Gentleman supported those cuts of 30 per cent. We are actually

increasing defence spending, including major new procurement of vessels for the Royal Navy, so we shall take no lessons about either Trafalgar or the Royal Navy from him.

Q5. [7770] **Martin Linton** (Battersea) (Lab): When the Prime Minister goes to Singapore, will he pass on to Lord Coe and his team the good wishes of millions of Londoners and, I am sure, of millions of people in all parts of Britain, and the support of nearly every Member of the House for the bid for the 2012 Olympics, which would not only bring the world's greatest sporting event to the UK, but would leave a lasting legacy for sport and for our transport infrastructure, specifically the East London line extensions—

Mr. Speaker: Order. I think that the Prime Minister can answer now.

The Prime Minister: Well, I agree anyway. The work being done by Seb Coe, Keith Mills and the 2012 team is absolutely magnificent and we can be really proud of the bid that has been put forward by the UK for the Olympic Games. It will be a tremendous event not just for London but the whole of the country. I think there is tremendous enthusiasm. We have a strong technical bid and the most powerful part of it is the legacy that it would leave, not only for London but for sport in this country and for the spirit of the Olympic movement.

Mr. Speaker: Sir Patrick Cormack.

Hon. Members: Hear, hear.

Sir Patrick Cormack (South Staffordshire) (Con): Thank you, Mr. Speaker. As every Member of this House, including the Prime Minister and, indeed, you Sir, Mr. Speaker, could have been faced with little local difficulties similar to my own, will the Prime Minister and his Government look with sympathy upon the ten-minute Bill that I will present to the House to address those difficulties?

The Prime Minister: First of all, I will always look with sympathy upon the hon. Gentleman—*[Laughter.]* Well, there are not many hon. Members who would get more of a welcome from most Members than the hon. Gentleman. I will certainly look carefully at what he says, although I honestly do not know the answer at the present time. I understand that he has found himself in a strange and difficult situation, but as his presence here today demonstrates, he has overcome it.

North-West Leicestershire

Q6. [7771] **David Taylor** (North-West Leicestershire) (Lab/Co-op): When he next plans to visit North-West Leicestershire on official business.

The Prime Minister: I have no current plans to do so, but may well in the future.

David Taylor: Residents of the council estates in North-West Leicestershire, such as the one on which I grew up, are very pleased with the progress made since 1997 in such areas as education, employment, health and pensions, but they are baffled by the direction of housing policy. Will the Prime Minister come with me to talk to those tenants and explain why they are facing a coerced stock transfer away from a good and successful local authority to a landlord that is likely to be less responsive, less affordable and much less accountable? Will he ask his deputy to come to the parliamentary council housing group in this place on a similar mission?

The Prime Minister: I thank my hon. Friend for his kind words about our achievements since 1997, but no one is coerced—*[Interruption.]* That is the case because there is a ballot for these transfers. Tenants benefit because housing associations are able to secure more investment than is usually available from the local council or Government grant. Actually, £6.5 billion has been levered in from the private sector through the stock transfer and the 61 schemes announced last week should deliver a further £3 billion of investment. We should celebrate the fact that by 2010, 2 million homes will have been brought up to the decent homes standard. However, that cannot be done simply through the old local authority route. There must be a mix of provision and, as I say, stock transfers occur only when tenants have actually voted for them—they take the final decision.

HIV/AIDS Treatment

Q7. [7772] **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What progress he has made on his commitment regarding universal access for HIV/AIDS treatment in the developing world.

The Prime Minister: As was made clear in our manifesto, we are pressing for universal access to AIDS treatment—in fact, by 2010. However, to make progress we need the international community to work together to help to ensure that there are enough health clinics, doctors, nurses and drugs to reach all people with AIDS in the poorest countries.

Dr. Harris: The Prime Minister is of course right, but does he realise that the UK is poaching thousands of doctors and nurses from sub-Saharan Africa without any form of restitution, such as specific funding or sending our own manpower back? Indeed, the Government are telling British doctors not to treat the very small number of African patients with HIV who have no status in this country and are forcing them to go back to countries in which they have very little chance of treatment, and thus, most likely, to their death. How can the Prime Minister claim moral leadership on the matter with G8 leaders when our current policy and practice appears to be to steal the doctors and reject the patients? Will he change his policy—

Mr. Speaker: Order.

The Prime Minister: There is no policy to steal doctors and nurses from developing countries. There is a code of practice to which we adhere that ensures that we do not do such a thing. If many of the people who come to this country were not coming here, I am afraid that they would not be staying in their own countries—that is the problem—because they would simply be going

elsewhere. On the hon. Gentleman's point about turning away some people with HIV/AIDS from the national health service here, he will know that there has been a lot of concern about people coming here to be treated, so we have to be careful about that as well.

It would be grossly unfair to imply, as the hon. Gentleman did, that this country has not been taking a lead on HIV/AIDS. We have made huge investment in the global health fund. Nearly 1 million people now receive AIDS treatment, in part as a result of the work done by this country, and we are leading the international commitment to get action on both drugs and health clinics and the staffing that the poorest countries need. However, that will not be helped, frankly, by refusing to take anyone from the continent of Africa in circumstances in which those people have already made the decision to leave their own countries.

Engagements

Q8. [7773] **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): My right hon. Friend is well aware of the many challenges facing the British fishing industry, having set up the No. 10 strategy unit review to which there was an encouraging reply yesterday from the Department for Environment, Food and Rural Affairs, but is he also aware that, despite those problems, British fishing communities have been raising funds to support fishing villages in Sri Lanka that were destroyed by the tsunami? Will he congratulate the people of Fleetwood, who have raised sufficient funds to build seven new fishing vessels for one such village?

The Prime Minister: I congratulate my hon. Friend's constituents on raising the funds for seven fishing vessels for a Sri Lankan village, in particular those of her constituents who themselves face many problems because of changes in the fishing industry. It is an extraordinary example of how incredibly generous people in this country have been. I assure my hon. Friend that we will continue to work with others in the EU and elsewhere to achieve a sustainable fishing industry for our own country, but her constituents deserve the congratulations of us all for the magnificent charity that they have undertaken.

Point of Order

12.31 pm

Peter Luff (Mid-Worcestershire) (Con): On a point of order, Mr. Speaker. We all accept that the difficult circumstances of terrorism that we now face lead to the Prime Minister requiring increased security: the happy days when Prime Ministers such as Sir John Major could occasionally walk from Downing street to the House of Commons have gone. However, the level of security now surrounding the Prime Minister's entourage making the journey here is now causing real inconvenience to the general public, as all access roads to Parliament square are closed for many minutes. Perhaps more relevant to you, Mr. Speaker, that means that Members of Parliament are also inhibited from making the journey to the House of Commons. Today, it was clear that the police officer who tried to stop me accessing the House had no idea of the Sessional Order that we passed on 23 November, as we do at the start of every Parliament, and he did not intend to allow me to pass. Can you examine this problem as a matter of some urgency, Mr. Speaker? I believe that other hon. Members were detained in their cars and were unable to reach the House.

Mr. Speaker: The hon. Gentleman knows that I will not discuss security on the Floor of the House, but I shall consider the complaint that he has put on the record and get back to him privately.

Sir John Butterfill (Bournemouth, West) (Con): Further to that point of order, Mr. Speaker. I do not know whether you are aware that Parliament square is now sealed off for 15 or 20 minutes before the Prime Minister is due to arrive here and that no traffic can get in or out of the square during that time. I was in a car in the square and was prevented from reaching Parliament. Although one is sympathetic in view of the security problems, the present arrangements are reminiscent of those that were enjoyed by members of the Politburo in the former Soviet Union.

Mr. Speaker: I cannot comment on the latter point, but if Parliament square is sealed off for 20 minutes, that seems excessive. I shall look into the matter and I thank the hon. Gentlemen for raising it.

Opposition Day

[3RD ALLOTTED DAY]

NHS Dentistry and Primary Health Care

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

12.33 pm

Steve Webb (Northavon) (LD): I beg to move,

That this House notes with concern the crisis in NHS dentistry, together with problems in accessing other primary care services; recognises that many dentists chose to undertake more private practice as a consequence of the new contract introduced under the Conservatives in 1990 and the subsequent reduction in dentists' fees in 1992; notes that the Conservative government closed two dental schools; further notes that the number of adults registered with an NHS dentist fell by five million between 1994 and 1998; recalls the Prime Minister's pledge in 1999 that 'everyone within the next two years will be able once again to see an NHS dentist just by phoning NHS Direct', but notes that less than half the adult population is now registered with an NHS dentist; and calls on the Government to work with the dentistry profession to ensure that the new contract delivers more dentists spending more time working in the NHS.

As one who is relatively new to shadowing the Department of Health, it strikes me that NHS dentistry is a subject that I can get my teeth into—[HON. MEMBERS: "Oh!"] I should add that it is good to have a Minister of the Crown responding to the debate. The Minister will know that all is not well in the world of dentistry. At oral questions—appropriately enough—a couple of weeks ago, the first question was about dentistry in south-west Devon, the seventh was about dentistry in Hertfordshire, the eighth about dentistry in the Isle of Wight, the 10th about dentistry in Milton Keynes and the 17th about dentistry in Leicestershire.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): As the hon. Gentleman has just mentioned Milton Keynes, I thought that I would update him on the situation. After asking that question, I visited the brand-new practice that has opened by Milton Keynes station. Its wonderful facilities provide well over 7,500 new places for NHS patients through the personal dental services contract. I am immensely grateful to the Labour Government for providing that practice, as are my constituents. I am sure that Liberal Democrat Milton Keynes council will pass that news on to the hon. Gentleman.

Steve Webb: I am delighted for the hon. Lady and her constituents, but I wonder whether she has read the Labour amendment. Being a reasonable man, I did so, thinking that if it was good, solid stuff I might vote for it. It includes a surprisingly long litany of all the good things that the Government have done for dentistry, but in the final sentence it congratulates

"the Government for this investment and programme of reform that has delivered a better quality of life for staff, and improved services for all patients".

I find that incredible. I read Government amendments with the aid of an "out-of-touchness" meter. Most Government amendments are only a little out of touch, but this one is completely off the scale, if the Government genuinely believe that over the past eight years they have improved dentistry for all patients.

Mr. Gary Streeter (South-West Devon) (Con): As usual, the hon. Gentleman is making an excellent speech. Following the last intervention, is he aware that since I raised the lack of NHS dentistry in south Devon two weeks ago, we have not had any more NHS dentists? I am not pleased with the Labour Government, who have failed to deliver on a clear promise in 1999.

Steve Webb: I can feel a Liberal Democrat survey coming on. *[Interruption.]* Indeed, and a petition—perhaps that will come later.

There is clearly a substantial problem with NHS dentistry, and I am grateful for the hon. Gentleman's friendly intervention.

I remind the House that the rot set in—if I can use that phrase—some years ago. It is widely accepted that the problem started in the early 1990s, when dentistry fees and contracts were changed. The change was well intentioned—instead of dentists simply receiving a set amount for every filling or treatment, there was a per patient element, which undermined the inducement to do more work just for the sake of it. The thinking was right, but the implementation failed because budgets spiralled. Only a couple of years later, dentists' fees were cut and, as a result, they started to leave the NHS. The National Audit Office says that

"in the early 1990s, many dentists reduced their commitment to the NHS".

A long-term problem has therefore developed under successive Governments of both larger parties.

Ms Emily Thornberry (Islington, South and Finsbury) (Lab): Will the hon. Gentleman give way?

Steve Webb: If the hon. Lady would allow me to develop my argument a little, I shall certainly give way.

The situation was probably not helped in 1992 by the previous Government's decision to close two dental schools. The Conservatives sometimes demand more NHS dentistry and more places in dental schools. I do not know whether dental treatment generates amnesia, but they display plenty of it on the subject. In 1997, a bright, shiny, new Government came to power, with all sorts of new ideas. Immediately, they introduced an Act of Parliament—if in doubt, legislate. The National Health Service (Primary Care) Act 1997 created personal dental services—so called because no person can access them—with the aim of trying to tackle the legacy of a decline in NHS dentistry. Two years later, we were given something that everyone fears—a promise from the Prime Minister, who said in 1999 that

"everyone within the next two years will be able . . . to see an NHS dentist just by phoning NHS direct".

It is not obvious how one could see a dentist by phoning NHS Direct, but we were promised that everyone would be able to do so two years after 2001. Six years later, however, NHS dental registrations are at low levels, and there is little sign of an upturn.

Ms Thornberry: Does the hon. Gentleman agree with the hon. Member for Sutton and Cheam (Mr. Burstow) that there is not a magic solution to fix NHS dentistry? Is he likely to give us any magic solutions today, and are there any attempts by the Liberal Democrats to help solve the problems with dentistry? Are we likely to hear, for example, anything about the introduction of personal dental plans, as promised in their manifesto? I should be grateful to hear something positive from the Liberal Democrats for once.

Steve Webb: I congratulate the hon. Lady on the way she read that out. One of the themes that we will be developing is the fact that the present problems are of long-term origin—

Mr. David Heath (Somerton and Frome) (LD): Deep-rooted.

Steve Webb: Indeed. Because of that, the Government on day 1 in 1997 should have been tackling those problems. For example, it takes five or six years to train a dentist, so if they had got on with it on day 1, we would not now have a shortage of dentists, but only now are they talking about expanding places for dentists. There are no quick fixes—I agree with my hon. Friend the Member for Sutton and Cheam (Mr. Burstow), who researched the matter thoroughly. It takes time to train dentists, which is why the Government's lack of effective action over eight years is all the more culpable.

We had the 1999 pledge and another set of proposals in 2002. Five years through the new Labour Government, we were still in trouble, so we got "Options for Change"—another set of

"radical reforms of NHS dental services".

The more one sees the word "radical", the less is substantively changing. We had had the Health and Social Care Act 2001, primary care trust commissioning and so on. The idea of a new dental contract, which is the key to the whole issue, was due to be implemented in April just gone, but that did not happen. It was postponed, first until October, then until next April. One of the reasons for that was the dental profession's lack of trust of the Government. The failure to negotiate a new dental contract was described by a dentist to whom I spoke recently as the best recruiting sergeant for Denplan that he has ever come across.

Mr. Charles Walker (Broxbourne) (Con): Is the hon. Gentleman aware that despite the Prime Minister's promises, hundreds of my constituents have no access to dentists? They are forced to go private and spend many hundreds of pounds to get treatment that the Government have a responsibility to provide. Is it not a bit rich for the hon. Gentleman to be lectured by the hon. Member for Islington, South and Finsbury (Ms Thornberry) about dentist provision, when you have failed miserably and we are facing yet another of the Prime Minister's—

Mr. Speaker: Order. The Speaker never fails miserably at anything. I call Mr. Webb.

Steve Webb: Thank you, Mr. Speaker. I echo that, but the hon. Gentleman makes a good point. We get the promises and the rhetoric. He may not have read the Labour manifesto of 2005, which promises:

"We will undertake a fundamental review of the scope and resourcing of NHS dentistry."

So here we are, eight years on, and what are we to get? A review. Am I missing something here? It has taken so long to get to the point of a review—yet another reform,

yet another radical change. I hope Ministers will tell us what the plans are. Did they know in April, when they published that manifesto, what they had in mind?

Mr. David Drew (Stroud) (Lab/Co-op): I thank the hon. Gentleman, my constituency neighbour, for giving way. What obligation does he think there is on the dentistry profession to work in the NHS? Like him, I believe in the NHS, and it greatly saddens me how many dentists have willingly gone private. They ought to come back into the NHS. How does he think that will happen?

Steve Webb: Many dentists share the hon. Gentleman's and my commitment to the NHS, and are moving out of it with great reluctance. I have come across many who have hung in there while many more have gone private, because they believe in the principle, but the Government have made it impossible for them to carry on.

Mr. Heath: My hon. Friend is making an incisive speech. Many members of the dental profession have, as he says, reluctantly moved out of the NHS, not because of the financial considerations, but because they are not able to provide the professional service to their patients that they believe they should be providing. That is why they have sought an alternative way of providing a service to their patients.

Steve Webb: My hon. Friend is right. Many dentists who went into dentistry to provide a quality service are finding that they cannot do so within the constraints of the existing NHS arrangements.

What is the root problem? Clearly, the fact that there are not enough dentists. It is not a complex matter. The Government's work force review stated that there were 2,000 dentists short, but that that number would rise to 5,000 over the next few years. Given that it takes about six years to train a dentist, how will we bridge that gap? The work force review did not take account of the impact of the new contracts, which could make matters worse. How many dentists short do the Government believe that we are? What is the grand plan?

The Government said that they wanted 1,000 more dentists by October, but Lord Warner suggested in another place that they were only half way there, yet we are only a few months away. Will the Government hit that target of 1,000 new dentists? They speak of more training places, which are clearly welcome, but the number of people who teach dentists is falling. I hope that the Minister will tell us what she is doing to ensure that the clinical experts who teach the next generation of dentists are there. Like many parts of the NHS, dental schools are in financial deficit. If they have to cut corners and spend less clinical time with new dentists, can we be confident that dentists will be as well trained as they need to be?

The Government strategy is essentially a temporary filling. It is to employ overseas dentists—from Poland, Brazil, India and wherever they can get them.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): In Shrewsbury, we are getting more dentists, but the vast majority are from Poland. As a Polish speaker, I was recently invited to meet them. They are highly qualified, hard-working people. However, the Government should do more to train people in this country to provide the service rather than poaching dentists from Poland.

Steve Webb: The hon. Gentleman makes an interesting point. Dentists from this country say that dentists from other countries clearly have different practices and procedures. I think the phrase was, "Brazilians don't do root canal work." Different dentists with different levels of training and different practices are coming into the country. I mean no disrespect to many of the highly qualified dentists who come here, but it is only a short-term response to the problem.

Perhaps an obvious symptom of a system that is not working is what happens when a new NHS dentist service opens in an area. There are queues around the block. Hon. Members will know that I am a regular reader of *The Sun*, which on Monday printed a photograph of a queue around the block for a new dentist in Manchester. The article states:

"Hundreds of patients queue for four hours in the rain—to register at an NHS dentist.

People came from 50 miles away ... Bill Woodman, 70 ... said, 'I knew it would be busy—so I started queuing hours before it opened.'"

What does it say about us when pensioners have to queue for hours simply to get what should be a basic right: entitlement to NHS dentistry?

Ms Thornberry: Will the hon. Gentleman give way?

Steve Webb: No, I have already given way to the hon. Lady.

The Government amendment states that all patients have got a better deal. How can the Minister put her name to it? How has the 70-year-old gentleman from Prestwich got a better deal if he has to queue around the block even to get his name on the list? It is unacceptable, and redolent of what happens in a third-world country. I am embarrassed when British people have to queue around the block simply to register with a dentist.

Mr. Sadiq Khan (Tooting) (Lab): Does the hon. Gentleman honestly expect hon. Members and people outside the House to take him seriously when he takes advice from a Conservative Member, whose party when in government closed at least two dental schools and cut fees, and from *The Sun* about queues for NHS dentists? Today, I found on the internet at least 10 dentists in Tooting who are willing to take NHS patients.

Steve Webb: Even the Government would think that that was a long way to go to get a dentist.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Unlike in Shrewsbury, the number of dentists in Bournemouth has fallen. It is interesting to note that some hon. Members say that the number of dentists has fallen and others say that it has risen. The places where the number has risen appear to be Labour constituencies—I do not know whether that is significant. However, to revert to standards of dentistry and age, pensioners are especially affected by the number of dentists—that is certainly true of

[Mr. Tobias Ellwood]

Bournemouth. They require more treatment because of their age and the state of their teeth. Does the hon. Gentleman agree that those people have been particularly affected by the lack of dentistry in this country?

Steve Webb: The hon. Gentleman is right. I came across a startling statistic recently—it may or may not be true—which was that one in seven people in this country have no teeth of their own. That would predominantly involve older people, as the hon. Gentleman rightly says, and for those people, quality of access to dental services is not a luxury but an absolute necessity.

Sandra Gidley (Romsey) (LD): A 75-year-old constituent wrote to me recently to say that she had been quoted £3,000 for a pair of dentures, as she could not find a local dentist who would treat her on the NHS. These are the people who can least afford such costs. Is my hon. Friend aware of this happening in other parts of the country?

Steve Webb: We have become increasingly aware of the patchy nature of dental coverage. In some places there have been improvements, but many people still face just the kind of problem that my hon. Friend has outlined.

Two in five children and more than half of all adults are not registered with an NHS dentist. I cannot believe the scale of this. There was a fall of 3 million in the number of people registered between 1997 and 1998.

Annette Brooke (Mid-Dorset and North Poole) (LD): Does my hon. Friend share my concern that, if the NHS Direct helpline provides a parent with young children with the name of a dentist 10 miles away—in my part of the world, that would probably involve two bus journeys, which can take a long time—the parent might not be motivated to register with that dentist?

Steve Webb: My hon. Friend makes a good point, and I shall come in a moment to the issue of NHS Direct pointing people in the direction of dental services that are often not local.

David Wright (Telford) (Lab): Will the hon. Gentleman give way?

Steve Webb: If the hon. Gentleman will forgive me, I want to make some progress.

There has been a dramatic fall in registrations, which is now at best levelling off. At oral questions recently, the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Winterton), said that

"there has been a levelling off. It is early days, so the extent to which it is sustainable is not yet clear".—[*Official Report*, 14 June 2005; Vol. 435, c. 143.]

So the Government's grand, vaulting ambition is to halt the decline and to hope that that is sustainable. But what is their long-term vision? What is their grand plan? What was their manifesto promise? What is their goal? Where do the Government want to end up?

David Wright: Will the hon. Gentleman give way?

Steve Webb: No, I have said that I want to make some progress.

One of the problems resulting from the lack of registration is a lack of preventive work being carried out. Surely if we believe in anything, we believe that the best thing of all is to prevent people from getting bad teeth in the first place. It is far cheaper, and far better for the individuals concerned.

Mr. Ian Austin (Dudley, North) (Lab): Will the hon. Gentleman give way?

Steve Webb: No, I have said that I want to make some progress.

The National Audit Office reports that the incidence of tooth decay among five-year-olds is now gradually starting to get worse. Long-term general improvements in public health are now starting to get worse at the margins, which is a symptom of the lack of registration, because if people are not registered with a dentist, they will not have routine check-ups and the problems will not be spotted early.

Mr. Austin: Will the hon. Gentleman give way?

Steve Webb: No.

A consequence of the lack of preventive work is that the problems build up, and people then need emergency cover, which is far worse for everyone. Yet access to emergency cover is not brilliant either. A recent *Which?* report found that half of England's dentists were unable to see patients requiring urgent treatment for toothache, and that the majority of the rest would not see them on the NHS. So, half the dentists will not see such patients at all, and the other half will probably ask them to pay, if not through the nose, at least a substantial amount.

David Wright: Will the hon. Gentleman give way?

Steve Webb: No, I have said that I want to make some progress.

The conclusion of the *Which?* report on emergency access to dentistry is:

"At best, many people needing urgent care are forced to go private, often at considerable cost. At worst, serious problems could go untreated, at significant risk to the general health of individuals concerned."

We have a real problem with emergency access. The Prime Minister has said that the answer to the problem is NHS Direct. The number of calls to NHS Direct about dentistry has risen by three quarters over the past couple of years. That is clearly a symptom not, as the Government's amendment to the motion suggests, of everyone getting a better service, but of far more people having to turn to the hotline number because they cannot get the regular service that they used to have. I have another interesting statistic here, and I apologise if Members know it already: toothache is now the fourth most common reason for ringing NHS Direct. That, too, is a symptom of a system that is not working.

What does NHS Direct have to do to keep the Prime Minister's promise? It has to give the caller the name of a dentist, according to what are called "locally agreed standards", but what does that mean? In a rural area, that means a dentist within 50 miles. That could involve someone making a 100-mile round trip to see a dentist in a rural area, yet it gets a tick in the box for the

Government's targets. How absurd! We also find that the data on the website might not be accurate or reliable, and that the Government are not checking whether people are getting the service that they need, because they are not following up the inquiries. A person might ring up NHS Direct and be given the name of a dentist, but the Government do not then monitor whether the person is able to access that dentist, whether they actually do so, or whether they register with them.

The Government have said that, because there is a struggle to get enough NHS dentists, they will introduce something called "dental access centres". There are already 40 or 50 of these in various cities, and anyone who does not have a dentist can turn up at one. But are they good value for money? Surely anyone who goes to one because there is nowhere else to go will think so, but is this as good as seeing a dentist regularly? A dentist I spoke to recently told me that, typically, it cost £50 to deal with one NHS patient, while the cost at one of these dental access centres is £160 per patient. So three regular NHS patients could be treated at a surgery for the price of treating one at an access centre. This is a very expensive sticking plaster solution to the underlying problem.

David Wright: Will the hon. Gentleman give way?

Steve Webb: No, I want to keep moving on.

One of the unspoken issues today has been charging for dental treatment. Charging is a central feature of NHS dentistry, unlike in most areas of the NHS, in that people are already paying very large sums of money for their treatment. The Government commissioned a review into charging, which was produced in March 2004. They are still thinking about it. They have had a year, and an election, since then, but they are still not telling us their conclusions. They have promised us a response shortly, and I hope that they will publish not only their response but the review itself.

The danger is that the Government will fill the gap with charges. In other words, they could say, "We've put some money into the NHS. It's not enough. Dentists are going to get less income because they are doing fewer of the unnecessary treatments that they used to be paid for. If their income falls, where is the filling going to come from? The answer is that it is going to come from charges." That is the danger. Will the Minister tell us whether that is the Government's strategy? Charges are not the answer to this problem. We are keen on prevention rather than cure, but charging people the earth will simply put them off.

The central issue now is the new contract for dentists. Current funding rules have resulted in dentists feeling that they are on a treadmill, trying to get through as many patients as they possibly can. If the new contracts are inflexible, however, more dentists will leave the NHS. This is not my scaremongering; the National Audit Office has said that

"given the scepticism of some dentists, compounded by a lack of detail on how the new system will operate, we consider that there is a risk that dentists will reduce their NHS commitments, as they did in the 1990s".

A recent British Dental Association survey found that six out of 10 of the dentists remaining in the NHS are thinking of leaving, and that only a tiny fraction think that, on the basis of the Government's proposals, they would do more NHS work.

Sir Paul Beresford (Mole Valley) (Con): The hon. Gentleman took an intervention earlier in which it was pointed out that many dentists would like to work in the national health service, but have moved out so that they can provide the full spectrum of care. Does he believe that NHS dentistry should provide the same full spectrum of care that a patient would receive from a private dentist?

Steve Webb: My judgment is that the concept of the national health service that we apply elsewhere should also be the starting point for NHS dentistry. In other words, we need to get to the idea that people have a basic entitlement to it. For too many people, that entitlement exists in theory but not in practice, with only half of all adults being registered with an NHS dentist. At the moment, the right to an NHS dentist is like the right to eat at the Ritz; we all have such a right in theory, but in practice we cannot exercise it. If that entitlement were to cover the whole breadth of treatments—including, for example, cosmetic dentistry—it could result in a very expensive commitment, but there must be a basic right to core NHS dental services. That must be the principle.

Mr. Simon Burns (West Chelmsford) (Con): In the light of the hon. Gentleman's last statement, will he confirm that the Liberal Democrats would give totally free dentistry to everyone on the NHS?

Steve Webb: No, and as the hon. Gentleman will see if he reads the record, that is not what I said. One of the key principles is a foundation entitlement to NHS dentistry services, but as I made clear to his hon. Friend the Member for Mole Valley (Sir Paul Beresford), boundary lines will have to be drawn. As he should know, however, we do not currently have such a core entitlement to NHS dentistry.

When the National Audit Office examined Britain, it found that NHS dental coverage was worse in the north of England—we saw an example from Manchester in *The Sun*. I have therefore taken just one case study of a northern constituency, Cheadle. To find out the level of NHS dental coverage there, I typed "Cheadle" into the national health service website, as any resident might do. It came up with the names of 18 NHS dentists, which I thought was great. The first one, however, was not accepting any new NHS patients for treatment, while the second was offering an emergency dental service only, and accepting no new NHS patients for treatment. Nor was the third accepting any new NHS patients for treatment, and that was the case all the way through to the 18th on the list. So not one of the dentists that the Department's own website came up with was taking NHS patients. How can it be, therefore, that according to the Government amendment, all patients are getting better dental care under this Government?

[Steve Webb]

To pursue the issue further, our campaigners in Cheadle, led by Mark Hunter, phoned 13 NHS dentists in Cheadle to find out what is behind those figures. The answers are revealing. Based on those calls, their impression is of

"a lot of NHS practices working full pelt and operating to what they consider their full capacity, which is why they are closing their books . . . to further NHS patients."

It is important that the Government Front-Bench team hear what dentists are saying about the current situation. One of those dentists said that they were "inundated". Another said that there were

"too many people and not enough money".

Another said:

"The situation is now hopeless—it's gone too far".

There was a sense of being beleaguered, and that the Government were not with them in providing a quality service. Another dentist said that the new contract was at the heart of the problem. Another said he was

"Not taking on any more because fees are fixed on existing patients."

Another said, "It's the sheer numbers". There is a sense that numbers are at the heart of the problem.

Mr. Russell Brown (Dumfries and Galloway) (Lab): Has the local dental association in Cheadle taken steps to meet regularly the primary care trust to discuss the difficulties that they face? In very few areas of the country are local dental associations doing so.

Steve Webb: The hon. Gentleman will be aware that primary care trusts are taking on the commissioning role for dentistry, so it seems implausible that they are not having such dialogue. When we talk to dentists, however, we get feedback that they feel beleaguered and cannot cope. It is not a lack of commitment to the NHS, but a feeling that they cannot do the right thing by their patients by staying in the NHS.

Mr. David S. Borrow (South Ribble) (Lab): Will the hon. Gentleman give way?

Steve Webb: I shall conclude my remarks in a moment.

One of the most worrying findings of the research undertaken by Mark Hunter and the team was that most of the dental practices to whom they spoke were taking on children only if their parents were existing patients. Given the drop in adult registrations, we are storing up trouble for our children.

Several hon. Members *rose—*

Steve Webb: I am about to conclude my remarks.

One of those dental practices would only take children under the age of three. We have therefore reached an extraordinary stage. What strikes me most is that dentists are telling us that they must turn away people who come to register, and who are in genuine need, because the provision and capacity are not there. The fact that the Government can table an amendment saying that everybody is getting a better service marks an extraordinary level of complacency and shows that they are not in touch.

In conclusion, this is a long-term problem that started under the previous Government but has been neglected for far too long under this Government. If it takes five or six years to train a dentist, action should have started years ago. Desperate measures are now being taken to fill the gap while dentists come on-stream. The normal understanding is that the NHS is based on two basic principles: that there is universal local access and that it is free at the point of use. That is not the experience of the majority of our constituents with regard to NHS dentistry, and this Government should be held to account for it.

1.4 pm

The Minister of State, Department of Health (Ms Rosie Winterton): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the Government's record levels of investment in the National Health Service, with expenditure set to rise to over £92 billion in 2007–08; congratulates the Government and NHS staff for improvements in primary care; notes that the Government's ambitions for NHS dentistry will deliver a modernised, high quality primary dental service; congratulates the Government on supporting this with a record level of investment, which has been increased by 19 per cent., or £250 million a year, over 2003–04 levels; further welcomes the increase in NHS primary care dentists from 16,700 in 1997 to 20,192 in April, the creation of 53 dental access centres across England treating some 400,000 patients a year and an NHS support team to improve access to dentistry in areas where there are problems, and the introduction of additional capital grants of £35 million to fund practice improvements; and further congratulates the Government for this investment and programme of reform that has delivered a better quality of life for staff, and improved services for all patients, regardless of their ability to pay, true to the founding principles of the NHS."

I know that NHS dentistry has been a key concern of many right hon. and hon. Members in recent years and I am glad of the opportunity to explain to the House the situation and what the Government are doing to reform and modernise NHS dentistry for the benefit of patients and dentists.

First, I want to set out some basic facts about dentistry. The number of dentists registered with the Dental Practice Board has risen from 16,700 in 1997 to more than 20,100 at the end of April 2005. Courses of NHS treatment have risen from 24.6 million to 32 million in 2004–05. In addition, the oral health of the UK population, which the hon. Member for Northavon (Steve Webb) mentioned, is improving. Dental decay for 12 to 15-year-olds, for example, is at its lowest levels since records began—levels that are lower than those in all European countries.

Sarah Teather (Brent, East) (LD): Is the Minister aware that my constituency is part of the North West London strategic health authority, which has among the lowest levels of children registering with an NHS dentist anywhere in the country, with more than half not registered with an NHS dentist?

Ms Winterton: Yes, I am aware that that is the situation in the hon. Lady's constituency. Interestingly,

it is true that many parts of London do not have shortages of dentists, as my hon. Friend the Member for Tooting (Mr. Khan) pointed out. One problem is getting people to register, and encouraging people to register where they are not doing so is part of many of the oral health and public health strategies that we are considering.

At the height of NHS dentistry registration, 58 to 60 per cent. of people were registered. A certain number of people have always not registered and the task is to ensure that they do so in future. That must be combined with water fluoridation policies, because in areas where water is fluoridated, the number of children without tooth decay has risen by 15 per cent. As right hon. and hon. Members know, the Water Act 2003 allows fluoridation of the remaining water supply where there is local support, which will further improve the oral health of the nation.

David Wright: Does my hon. Friend agree that local partnerships are crucial in delivering services? The quality of the local PCT is critical. In Shropshire, Mike Prendergast has done a tremendous job in developing a dental action plan, and new practices are opening up on the sites of regeneration projects. One very large new dental practice is opening in Telford in the next few months, with five of six new dental chairs providing thousands of new places for NHS patients. Can she therefore confirm that partnerships are important, and that we need to be positive about encouraging people to register? Some of the stories of doom and gloom are problematic.

Ms Winterton: My hon. Friend is right. When I visited his constituency, it was encouraging to see the action that the primary care trust was taking, in partnership with other agencies. There is no doubt that, for example, local authorities can be helpful in examining local action plans with primary care trusts to see what they can do, even in planning terms, to assist with registration. As he said, thousands of new places are coming on stream in his area, with encouragement from him. It makes a difference locally to know that Members of Parliament are working with primary care trusts.

Simon Hughes (North Southwark and Bermondsey) (LD): Can the Minister give the figures behind the increased number of registered dentists? Do they confirm that the number of foreign-born or foreign-trained dentists is growing considerably as a proportion of the total? If, as I believe, that is the case, would the Minister be willing to go with me to talk to the dean of Guy's, King's and St Thomas's dental school, just across the road at London Bridge? The school wants to train more people, and more people want to be dentists, but we are still withholding opportunities from those who want to train here, work here and service the NHS here.

Ms Winterton: We have already increased the number of training places, as can be seen from the number of new dentists. There is no doubt that more are working for the private sector, and I shall say more about that shortly. As for international recruitment to the NHS, I hope that it is increasing, because part of our strategy is to provide better NHS care. Those people are very welcome. They are doing an excellent job in all parts of the country, and I hope that all Members of Parliament will encourage the trend.

The hon. Gentleman suggested that I meet the dean of the dental school. From next October, a further 170 places are being found at dental schools. As the hon. Gentleman knows, it takes about five years to train a dentist. That is the reason for our strategy.

Despite the changes in the number of dentists and the improvement in oral health, there are undoubtedly problems in the NHS. The Government are determined to implement a plan of action, which I shall describe. The speech of the hon. Member for Northavon was, I have to say, full of holes, but the crowning moment came when he set out the roots of the problem created by the Conservatives. As he said, the contract that they introduced was extremely unpopular with the dental profession. It gave dentists incentives to undertake invasive treatment rather than adopting a preventive approach—the drill-and-fill treadmill, as it is known. Dentists' fees were cut in 1992 and two dental schools were closed. The drift to the private sector began, and I am sorry to say that it has continued.

Mr. Ian Austin: Is my hon. Friend as surprised as I am by the failure of the hon. Member for Northavon (Steve Webb) to tell us how many dentists the Liberal Democrats would employ, how many patients they would register, how much any of that would cost and how it would be paid for? Was that not the same menu without prices—the same list of uncosted commitments—with which the hon. Gentleman and his party always present us, and did it not provide further evidence of why no one will take anything that they say about this subject seriously?

Ms Winterton: My hon. Friend is right. As usual, the Liberal Democrats are quick to jump on the bandwagon but not so quick to come up with a solution. Perhaps they are following a new trend in making uncosted spending commitments. Their new habit is not having a policy at all. We were astonished by the so-called alternative programme that they presented to us.

There is no doubt that the drift of NHS dentists to the private sector has caused real problems in parts of the country. That is why in 2002, following wide consultation with the dental profession among others, we published the paper "Options for Change", which was implemented through the Health and Social Care Act 2003. I will explain how those measures will fundamentally reform and modernise our dentistry system.

Mr. Russell Brown: My hon. Friend speaks of the drift to the private sector. I believe that there is more to it than that. In my area, Dumfries and Galloway NHS trust has employed salaried dentists. When they arrive in local communities, local NHS dentists move to the private sector. That development involves economics and the marketplace, and a strong dislike of salaried dentists who arrive on the scene to treat NHS patients only. The local dentists do not like the competition.

Ms Winterton: That is an interesting point. I hope that I shall be able to explain what we are doing to make the NHS more attractive to dentists. I hope that many

[Ms Winterton]

dentists who have received five years of detailed training at the taxpayer's expense will feel that a commitment to the NHS should come at the end of that. I hope that they will not see salaried dentists as a threat and move to the private sector, because we are trying to build an NHS dentistry system that serves all our people.

Mr. Mark Todd (South Derbyshire) (Lab): Is it not worrying that where the NHS has provided capital funds to establish a new NHS practice, as it did in Swadlincote in 2002, three years later the practice should choose to go private and retain only its core NHS commitment despite substantial public funding? That is certainly of concern to my constituents. Does my hon. Friend share their concern?

Ms Winterton: My hon. Friend is right. I looked into that when a number of Members brought it to my attention. If an NHS dentist leaves the NHS completely rather than merely reducing the number of NHS patients, the primary care trust can reclaim some of the grant. It is important for the PCT to be able to do that. However, I think that our tightening of the arrangements will prevent the same thing from happening in future.

Mr. Mark Francois (Rayleigh) (Con): I realise that the debate is mostly about dentistry, but it is also about primary care. Perhaps I could briefly bridge to that. In my constituency, I have campaigned for several years for expansion of the small health clinic in the town of Southwood and Ferris. Maldon and South Chelmsford primary care trust is reviewing the possibility of expansion, but as yet there is no firm plan. May I write to the Minister next week with the full background to the proposal? I hope that the campaign can be brought to fruition, because it is very important to my constituents.

Ms Winterton: Of course the hon. Gentleman can write to me next week. I am sure that he is discussing the matter with the PCT, because he knows that that is where the decisions will be made, but he is more than welcome to write to me.

I was talking about the changes that resulted from "Options for Change" and the Health and Social Care Act. They have three key elements. First, funding and commissioning responsibility will be devolved to PCTs so that they can plan local dental provision. A problem often cited by Members is that, if an NHS dentist, under the current contract, decides to leave the NHS, the local PCT has no funds to fill the gap, so to speak. The money returns to the centre and is redistributed if another NHS dentist comes in. That is not a satisfactory arrangement. The key element of our proposals is to devolve that funding and decision making, so that local PCTs have the responsibility and the funding to plan properly for NHS dentistry.

Several hon. Members *rose—*

Ms Winterton: Let me deal with the second element, which is the introduction of a new contract for dentists, so that, rather than being paid for each individual treatment—we have discussed the drill-and-fill treadmill—dentists are paid for looking after individual patients, with a particular emphasis on preventive oral health advice. Thirdly, we gave a commitment to simplifying the system of patient charges, to reducing bureaucracy for dentists—another of their key complaints—and to increasing transparency for patients.

Mr. Borrow: NHS dentists need give no notice at all to PCTs before they go private. The PCT in my constituency, for example—it is responsible for NHS care in my area—was given no notice that the dental practice in Longton intended to go private and, as a result, had no time to prepare an alternative strategy. Surely there should be some mechanism that forces NHS dentists to give at least a minimum period of notice if they are going into the private sector, in order to allow PCTs to plan properly and to bring in alternative dentists.

Ms Winterton: I agree and, in fact, such dentists should give approximately three months' notice to the PCT, but in practice some avoid doing so, which makes it very difficult for the PCT to plan, as my hon. Friend says. The new contract and the new way of commissioning will ease that problem. Dental leads in PCTs have been discussing with dentists their commitment to the NHS and their future plans. That has eased the situation because, as a result, they have been able to secure more notice from dentists who are thinking of leaving.

Malcolm Bruce (Gordon) (LD): Will the Minister give way?

Ms Winterton: I want first to make some progress.

We recognise that, in certain parts of the country, access is an increasing problem. That is why we announced in 2003 the establishment of the NHS support team, which works with specific PCTs, and backed that up with £9 million-worth of additional funding. In 2004, a further £50 million was allocated to strategic health authorities to help address access problems.

Several hon. Members *rose—*

Ms Winterton: I will give way one more time, to the hon. Member for Gordon (Malcolm Bruce), and then I really must move on.

Malcolm Bruce: I am grateful to the Minister; I recognise that I am being persistent. Does she accept that getting the right contract is likely to be the key solution to the problem if we are to avoid having a two-tier dental service in the long term? Just after the election, a dental practice in the town of Inverurie sent letters out on the Friday, stating that patients could queue on the Monday to sign up for a private plan. Some 700 people queued all day to sign up because there was no alternative. We must ensure that we bring these dentists back into the NHS or we will finish up with no NHS dental service at all.

Ms Winterton: The hon. Gentleman is right and we should also bear in mind the point that the hon. Member

for Northavon made about queuing. We have made it absolutely clear to PCTs that where new NHS dentists are opening, it is important to manage the situation properly. There is no reason why lists should not be kept of people who are waiting to gain access to an NHS dentist. We have made it very clear to PCTs that we expect them to put in place systems that prevent people from being put through the indignity of queuing. Obviously, that point does not apply in this case, as the hon. Member for Gordon is talking about a dentist who gave just three days' notice that he was quitting. He will doubtless take up that issue with Scottish Ministers.

In July 2004, the then Secretary of State announced that we intended to recruit the equivalent of an additional 1,000 dentists by October 2005, through a mixture of attracting back NHS dentists and international recruitment. We also said that we would train another 170 dentists per year, starting from this October, supported by additional investment of £80 million. We announced that we would increase funding for dentistry by 19.3 per cent.—an extra £250 million—from April 2005, and that we would encourage dentists who wished to do so to move to new ways of working under the personal dental services pilot schemes.

In January 2005, in response to representations and to the National Audit Office report, we agreed to postpone implementation of the full reform package until April 2006.

Chris Huhne (Eastleigh) (LD): Can the Minister assure those of us in the southern part of the country, in particular, that regional circumstances are being taken into account, especially in areas where costs are clearly higher? Given the affecting story that we heard from the hon. Member for Telford (David Wright) about the impact of the Minister's recent visit to his constituency, perhaps I might invite her to visit mine, so that she can see for herself the substantial problems in registration for NHS dentistry. According to a recent survey by my local newspaper, the *Southern Daily Echo*, not a single dentist in my constituency was prepared to take on NHS patients. Will she put in her diary the need for an urgent visit, so that we, too, can benefit from the effects that appear to have been visited on the hon. Member for Telford?

Ms Winterton: Perhaps the hon. Gentleman would like to encourage his PCT to follow the example of that of my hon. Friend the Member for Telford (David Wright), with which my hon. Friend has clearly worked very closely. The hon. Gentleman could then invite me to visit his constituency, so that we can see what his PCT has learned from another area.

As a result of extra funding, recruitment initiatives and PCT activity, a quarter of dentists—5,800 in 2,100 practices—have moved to the new personal dental services contract. That shows that dentists are attracted to ending the treatment and paperwork treadmill. Patients are benefiting from a more preventive approach and, as new PDS dentists build up their patient base, access is increasing.

Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is correct: the PDS is making a huge difference to the provision of, and the approaches taken by, NHS dentists. It has certainly given them the confidence to invest in the future. As a result of the PDS, Roman Melnyk of the Silverdale medical practice, in Dukinfield in my constituency, is investing £80,000 of his own money, together with funding from Tameside and Glossop primary care trust. He intends to take on two extra dentists and one orthodontist, which is surely good news for the people of Dukinfield. Is my hon. Friend aware, however, that there are some delays in getting the agreements in place to take on these extra staff? Will she do all that she can to ensure that in Roman Melnyk's case—I will pass on the details—we can secure the two extra dentists and the orthodontist?

Ms Winterton: I certainly will. I am sure that the people of Dukinfield are benefiting greatly from the changes that my hon. Friend outlined, and it is good to see local PCTs taking that sort of initiative. All PDS applications are processed through the Department. Sometimes there are delays if the Department wishes to get further information in order to ensure that good quality services and value for money are being offered. There may be some delays and I shall look carefully into the points that he raised. As I said earlier, from October this year, 170 extra undergraduates are starting their dental degree and we are considering applications for a new dental school.

[redacted] last April, the equivalent of approximately 83[redacted]ditional dentists are treating NHS patients thr[redacted]gh a mixture of domestic returners, international recruits and additional NHS commitment from existing dentists. Another 117 Polish recruits are due to take up posts in England between now and the end of October, so we are well on the way to meeting the 1,000 target.

Mr. Heath: May I raise a matter peripheral to the training of dentists, but nevertheless important for the dental profession—the training and regulation of dental technicians? Will she tell us more about her thoughts on ensuring quality among dental technicians, which is crucial to providing a good dental service?

Ms Winterton: The hon. Gentleman raises an important point and we want to look further into extending the roles of the whole dental team. He may be aware that, through the section 60 order laid before the House, we are seeking ways of ensuring high-quality standards. Over and above that, we want to increase training for all members of the dental team and ensure that there is greater provision as a result of the new roles.

As I have said to many hon. Members, primary care trusts have been asked to put together action plans to deal with any particular problems. Some have experienced success stories in their constituencies. For example, in Blackburn, five German dentists started work in April looking after 10,000 extra patients and in Newhaven, Sussex, a Polish dentist started work in April on a three-year PDS contract, providing NHS care to an area where access was particularly difficult. Indeed, I understand that the hon. Member for Lewes (Norman Baker) was photographed with the new recruit. I am sorry that he is not in his place today, as we have a nice picture of him with the new dentist. My hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) mentioned domestic recruitment and the importance of getting NHS dentists back to ensure increased access for NHS patients.

[Ms Winterton]

As well as recruiting from Europe, we have looked into how to speed the process for people waiting to take the international qualifying exam that enables dentists from non-EU countries to practise in England. We have been working with the General Dental Council to reduce waiting times and it now takes only 12 months, instead of two years as previously, to complete all stages of the exam.

As I said earlier, we have laid before the House a section 60 order that will allow reform of the dental team so that dental therapists, hygienists and nurses can take on new roles and, in some cases, undertake some routine dental work currently carried out by dentists, thereby freeing up their time for more complicated interventions. The order will also make it easier for patients to distinguish between what work a dentist has done on the NHS and what work has been charged for privately. I am sure that many right hon. and hon. Members will have heard complaints from their constituents about failures in respect of being properly informed beforehand about what work was done on the NHS and what was done privately.

Paul Rowen (Rochdale) (LD): Will the Minister give way?

Ms Winterton: I want to move on, if the hon. Gentleman will forgive me.

I hope that the history and context that I have outlined make it clear that we recognise that there are problems, but that we have in place fundamental reforms to improve the system.

My hon. Friend the Member for Telford—and many hon. Members previously—asked about the Government response to Harry Cayton's report and about the details of the new contract. I shall announce next week our response to the Cayton report on patient charging and outline aspects of the new contract that we are introducing from April 2006. I hope that the House will understand that I cannot share all the details today, but I thought that it might help Members if I set out some of the principles underpinning the proposals that we will announce.

On the new dental contract to be introduced from next April, we want to encapsulate the new ways of working that are already apparent in personal dental services contracts—an end to the treatment and paperwork treadmill, more time with patients and creating the capacity for dentists to take on more NHS patients. We want to make dentistry more attractive to dentists, building on the success of PDS, which has already been enthusiastically taken up by about 29 per cent. of existing dentists. We also want to reform the system of monitoring NHS dentistry to ensure value for money, detailed information on the level of activity and high-quality service provision.

Dentists are already working with PCTs locally in many areas to make the reforms work and I certainly want that to continue. To make the contract work, we need a partnership between PCTs, local dentists and their representatives—locally and nationally—and the Department of Health. Other agencies, such as local authorities, are also relevant. I believe that the success of PDS last year shows the way forward and I am confident that the new contract will be successful.

On patient charges, the original remit of Harry Cayton's working group was to devise an improved system that would raise the same proportion of revenue and no more—approximately a third of the total expenditure—on primary care dentistry. Our response will enshrine a number of key principles. We want a system that is simpler and more transparent to both to dentists and, critically, their patients. There are currently more than 400 different items of service with associated charges, which is obviously not a straightforward system. Patients, their representatives and others tell us that dental charges are bureaucratic—a charge commonly made by dentists themselves—and not easy for patients to understand. It is often difficult to distinguish between private and NHS care.

We also want a system that reflects the new ways of working in respect of how dentists spend their time and that takes into account the National Institute for Health and Clinical Excellence guidelines on recall intervals, which recommend fewer visits for regular recall and scale and polish. Dentists take the decision as to whether the patient needs to come back within three months, if the dentists are worried, extending up to 18 months if they feel that a recall is unnecessary. That represents a much more effective use of dentists' and patients' time. We also want a system that encourages preventive treatment to improve oral public health.

I am sure that many hon. Members will say, as did the hon. Member for Northavon, that it has taken a long time for the Government to respond to the report. However, it has been vital to reflect on the findings of this important report in the light of the changed patterns of treatment and ways of working that have emerged in many of the PDS pilot sites. We learned a lot from that and it has been extremely useful in shaping our response. We will discuss our proposals with the British Dental Association, as has happened in the past, and we will publish our final contractual regulations in the new few weeks. We are determined to get this right, and I believe that we will.

The principles that we will follow in the new system will make charges more transparent for patients and less bureaucratic for dentists. They will reflect new ways of working and, in particular, they will emphasise long-term oral health promotion.

The hon. Member for Northavon talked about the fundamental review. We are considering the terms of that review at present and will pay special attention to the changes that are in hand. We want to see how they are bedding down and whether they are succeeding in drawing dentists back into the NHS. Other aspects that we need to look at include increasing the commitment of dentists to the NHS during their training. We will announce other matters to be considered in due course, but we want to make sure that the reforms are welcomed by dentists and that they are attracting dentists back into the NHS. Given that the reforms have been the subject of long discussions with the dental profession, I am confident that they will be welcomed.

Sir Paul Beresford: Will the Minister give way?

Ms Winterton: I will, as the hon. Gentleman is an expert in this area.

Sir Paul Beresford: The Minister will have noted the points made earlier about the spectrum of NHS dentistry available for dentists to offer their patients. Are there any plans to broaden that spectrum, or are we going to stay with the core?

Ms Winterton: I am sorry, I did not catch all that question.

Sir Paul Beresford: Earlier, there was a suggestion that one of the difficulties faced by dentists was that the broad spectrum of equipment, services, treatment and materials was not all available on the NHS. Is what the NHS offers going to be broadened or will the NHS stick to offering only a core service?

Ms Winterton: The NHS will continue to offer what is considered clinically necessary. The hon. Gentleman rightly distinguishes between the core service and some of the cosmetic treatments that are available, such as white fillings, teeth whitening and so on. We firmly believe that the NHS should continue to provide what is clinically necessary for good oral health, but it will not extend into cosmetic surgery, as that is for individuals to decide. Those services are available in the private sector, but we do not believe that they are suitable for NHS provision.

Chris Huhne: Earlier, I asked for a reassurance that the reforms would take account of the problems faced in different regions of the country, especially in respect of costs. I am told that the costs of dental provision are substantially higher in some parts of the country than in others. Will the Minister give the House the benefit of her analysis of those differences? Will they be taken into account in the reforms, and especially in the new contract? In my constituency, registration for NHS dentistry is very poor. The local newspaper found that not one dentist was prepared to take on any new NHS patients.

Ms Winterton: The hon. Gentleman needs to remember that, under the new system, commissioning is done at local level. There are always variations: for example, some dentists will be fully committed to the NHS, some will be 50 per cent. committed, while the commitment of some dentists will be lower still. The PDS system has involved negotiations with local PCTs to determine the historic amount paid to NHS dentists in that PCT area. In that sense, therefore, the new system reflects the income that dentists received previously, and we have guaranteed that that amount will continue to be paid for three years. In many cases, however, new ways of working mean that dentists' time can be freed up and that new patients can be taken on as a result.

The Government's proposed amendment makes clear our intention to improve the delivery of NHS dentistry. There is no doubt that access problems remain in parts of the country. I hope that the House will recognise that the drift away from NHS dentistry began some years ago under the previous Administration and that this Government have embarked on a programme of radical reform and modernisation backed by significant new investment.

Changes are taking place already. I am confident that, when the programme of reform is complete in April next year, we will have a service that promotes oral public health and tackles inequalities. The service will be better for both patients and dentists, and I urge the House to support the Government's amendment.

1.46 pm

Dr. Andrew Murrison (Westbury) (Con): I begin by congratulating the Minister on her usual polished performance. [HON. MEMBERS: "Oh!"] I assure the House that I have lots more like that. Unfortunately, I have to condemn the hon. Member for Northavon (Steve Webb) for scaling new heights in by-election opportunism.

In the debate, I have counted phrases such as "holes in the argument", "crowning moments", "bridging the gap" and "getting to the root" of problems. One I liked particularly, which I made up earlier on account of my recent root canal work, was "touching a raw nerve". If I may say so, that is particularly good.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I take it that the hon. Gentleman is referring to the raw nerves on the Opposition Benches. Will he apologise for his party being the root cause of the problem in the beginning?

Dr. Murrison: I think that we will draw a line under that.

Reference has been made to what most Opposition Members regard as ancient history. Reports were produced in the 1970s suggesting that dental caries would decline dramatically for a number of reasons, including the fluoridation of various products, notably toothpaste. At that time, Governments of all parties had to base their plans on what the best available evidence suggested. It could not have been predicted that the incidence of dental caries would not improve as had been suggested, nor that the take-up of cosmetic surgery would increase to the point that it has characterised dentistry over the past 30 years.

The House must recognise that any party in government must base its plans for the NHS on the best available evidence. That is what both Conservative and Labour Governments in those far-off days did.

David Wright: The hon. Gentleman mentioned the planning that went on in the 1970s and 1980s. Two dental schools were closed just before the 1997 general election: what planning went into that? What about the 7 per cent. cut in dentists' fees?

Dr. Murrison: The fees were cut in the early 1990s, so the hon. Gentleman needs to get his facts right. The closure of the two dental schools was predicated on the predicted fall in the incidence of dental caries. I hope that when Labour Members are in opposition and looking back at the record of this Labour Government, they will be happy to say that decisions were based on the best evidence available at the time. It beggars belief that anybody would think that any party in government

[Dr. Murrison]

would be mendacious enough to close something down without evidence to support doing so. We all have to make decisions based on the finite resources available to us and in the best interests of patients. That was what was done at the time.

David Wright: Does the hon. Gentleman accept that the wrong decision was taken at the time by the Conservatives? Is he willing to apologise for that decision, given the trend in the demand for dental care?

Dr. Murrison: Governments must make decisions based on the best available evidence, and it would be extraordinary if they did not. At the time, that was precisely what was done. I hope that the Minister makes her decisions based on the best available evidence and advice from professionals and others.

I have spent some time cantering around the history of the issue, and I turn now to the history contained in the motion, because it consists largely of an attack on the Conservative record. That is extraordinary for a party that considers itself an effective Opposition, because any Opposition must examine the Government of the day. That is our job. I wondered why the Liberal Democrats should attack the Conservatives in that way—perish the thought that it might be due to the by-election that will sadly be held in Cheadle.

The hon. Member for Northavon did himself no credit by using a large chunk of time in illustrating his remarks with reference to Cheadle. As he did so, I think that I am at liberty to say that earlier today I spoke to our candidate there, Mr. Stephen Day. The difference between Stephen and Mr. Hunter, of course, is that Stephen lives in the constituency. He is living there and winning there, and therefore he knows well the needs of the local community, especially their dental needs. When I spoke to him this afternoon, he confirmed that NHS dentistry is practically non-existent in Cheadle, despite eight years of a Labour Government.

Mr. Francois: I listened carefully to the speech by the hon. Member for Northavon (Steve Webb). He spoke for more than half an hour in the parliamentary equivalent of a Liberal Democrat "Focus" leaflet. He criticised everybody else, but said barely a word about what the Liberal Democrats would do differently—

Madam Deputy Speaker (Sylvia Heal): Order. Perhaps we can now return to the motion under discussion.

Dr. Murrison: I shall certainly do so, Madam Deputy Speaker, but I must say that I agree entirely with my hon. Friend's remarks.

This is a serious matter and it deserves serious consideration. It is an issue that is raised weekly by our constituents. It is also raised with the citizens advice bureaux, which tell us that it is one of the most frequently raised issues. This morning, I met representatives of *Which?* magazine. I commend the magazine and its stop the rot campaign to the Minister. The hon. Member for Northavon mentioned that campaign, and it is extraordinary that half of England's dentists are unable to offer an emergency appointment to people in dental pain. I have had dental pain—I suspect that most hon. Members have—and it is a truly dreadful experience. The thought of having to put up with it for any length of time is frightful. The lack of emergency appointments also puts pressure on other parts of the health care system, such as accident and emergency departments and doctors. I have in the past been required to treat people in dental pain in an emergency because there was no access to a dentist—although admittedly that was in unusual circumstances.

Which? is holding a reception later today and the Minister could usefully attend to hear what is said. I am sure that she would be welcome—

Ms Rosie Winterton: I have not been invited to the reception and I would hate to gatecrash it. In his discussions, the hon. Gentleman might raise with *Which?* the fact that we have opened 53 dental access centres across the country to address the problem of providing emergency treatment.

Dr. Murrison: Well, the Minister has received an invitation, but has failed to reply to it. *Which?* also mentioned to me that 4.1 million people have had difficulty in registering with an NHS dentist in the past two years in England, according to its survey, which is full of useful information. I recommend to the Minister that she attends the reception.

Unfortunately, the Minister did not attend the British Dental Association conference in Glasgow earlier this year, which was a serious omission given the state of negotiations between the BDA and the Government. I hope that the Government will repair the bruised relationship with the BDA, because that is essential if we are to achieve the sensible contract to which we all aspire.

I am pleased that the motion includes primary health care. I am not sure whether it was done by design or default—it was probably by default, as it is a Liberal Democrat motion. In either case, it was very sensible, because dentistry should be considered as part of the mainstream national health service. I fear that that concept may be withering on the vine, but I was encouraged by much of what I heard from the hon. Member for Northavon and the Minister. I hope that the Minister will not allow it to wither away, because dentistry is a fundamental part of the mainstream national health service and it certainly is not a bolt-on extra. I welcome in particular the Minister's commitment to oral public health.

I was interested in what the Minister said to my hon. Friend the Member for Mole Valley (Sir Paul Beresford) in connection with what might be on the list of appropriate treatment under the NHS, because that is important. What dentists say to us is that they want to do national health work, but it would mean working with inferior materials or doing procedures that are possible if done privately but not under the NHS. The Minister looks confused, but that is the case. I am surprised by her perplexity, because if she has been discussing the issue with the BDA and dentists that concern will have been raised. It is important that whatever we provide is of adequate quality, for the sake of patients and the professionals who are keen to

provide the best possible service they can, within reason. Nobody would promise—we would not, and I imagine that the Liberal Democrats would not—to provide everybody with a perfect smile on the NHS. We cannot do that, but serious attention needs to be given to the quality of NHS dentistry that we can allow dentists to provide. I hope that the Minister will give that some thought, perhaps in connection with her report on Cayton.

Mr. Ian Austin: I am disappointed that the hon. Gentleman did not start by congratulating the Government on the record investment delivered for the NHS and dentistry. It is up by 19 per cent. or £250 million more a year and some 3,500 more dentists are now working in the NHS. It is no use trying to explain away the mistakes of the past as based on the advice given at the time, because Labour Members told the then Government what the effect of the new contracts would be and the consequences of closing the two dental schools. If the hon. Gentleman accepts that the Conservatives were wrong then, why does he expect anybody to believe what he says about the NHS dental service now?

Dr. Murrison: When the hon. Gentleman reads those remarks in *Hansard*, I suspect that he will be less than thrilled with his contribution, which sounded as if it were drafted by the Whips Office. It is all very well to say anything one likes in opposition, as the Liberal Democrats know full well. They are perpetually in opposition and can say whatever they like in the sure and certain knowledge that they will never be called on to carry out their promises, with one exception. That of course is in Scotland, where they are the coalition partners with the Labour party.

It would be interesting to know the situation north of the border. I am told that it is not 1,000 miles from where we are, despite the fact that Scotland has a far more generous settlement than this country. The hon. Member for Northavon did not mention that. Of course it is a devolved issue, but it would be interesting to hear from him how his party has managed dentistry where it is in a position to make a difference.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): The hon. Gentleman seems to be failing to notice that the Scottish Executive has to live with the same contract, and that the closure of the same two dental schools is now denying the supply of dentists to the Scottish Executive.

Dr. Murrison: I am very grateful to the right hon. Gentleman for that intervention. He is right that it is the same contract and that we all operate from the same pool of dentists, but I think it is reasonable to accept that dentistry is now focused around primary care trusts, or the equivalent thereof in Scotland presumably, so his party in coalition has some way of making an impact on dentistry. He must appreciate that it is not all down to the number of dental schools, or the contract; there is more to it than that. Nothing in the speech by the hon. Member for Northavon gave me any confidence that his party in office is able to make the difference that it constantly tells us it would make. I am sorry if I have missed something; I would be more than happy to allow an intervention from the hon. Gentleman.

I am concerned about the commodification of health care across the board, both in primary health care and in dental care; I would not want to make a distinction between the two. In recent weeks and months there have been announcements about dental access centres, walk-in centres and megasurgeries. We know about falling dental registration rates. We know about the threat to registration with GPs. We have heard about the 48-hours-in-advance conundrum that faces many practices, which are not permitted, apparently because of their fiscal settlement, to allow patients to book surgery appointments a long way in advance. All these things, and more, mean that there is far less personal one-to-one contact between practitioner and patient than there used to be.

The unique thing about health care in this country has always been that personal contact, be it in terms of general practice or general dental practice, and nothing in the Government's actions in the recent past has given me any confidence that they fully appreciate the importance of that personal service—that one to one. Arguably, it is far more important in general medical practice because one is dealing with long-term chronic disease, very often with life-threatening disease, and very often with elderly people who need that contact. I fully accept that very often in general dental practice contact tends to be a little more one-off, but most of our constituents would say that they value an ongoing relationship with an identifiable practitioner, and I fear very much that both in medical care and dental care the Government are moving away from that important model of registration and an ongoing relationship. I hope very much that the Minister will give us some idea in her remarks whether she associates with that and if not, why not, because it seems to me very much that we are indulging in the commodification of health care, in that less personal model, rather than the personal model that is so important for most of our patients.

The Minister is about to embark on a consultation exercise on health outside hospitals, and it will be interesting to learn to what extent that will involve dentistry. I have said that I very much welcome her enthusiasm for associating dental care with mainstream NHS care, so I assume that the consultation exercise will fully involve dentistry, because it really must do so. It is hailed as a major public engagement exercise. Being a bit of a cynic, I am concerned that this might be yet another tick-box exercise. I hope that that is not the case and I very much hope that the Minister will give some thought to the results. Recently we have had the results of referendums in France and the Netherlands in relation to the constitution, and it would appear that the results of those referendums are largely going to be finessed by the EU and by the countries involved. I hope very much that the Minister does not agree with such a model, and that she will truly reflect on the outcome of the consultation exercise, because I know full well that some of the messages that she will receive have to do with the value that people place on personal contact between practitioner and patient.

In terms of what needs to be done—*[Interruption.]* I hear the hon. Member for Northavon huffing and puffing, but as my hon. Friend the Member for Rayleigh (Mr. Francois) pointed out, we heard precious little about what the Liberal Democrats would do, and we have heard very little about what they are doing in

[Dr. Murrison]

Scotland. All I can do is refer to our discussions with the British Dental Association, which have been carried out in an extremely warm atmosphere. Our proposals are broadly welcomed by both the General Dental Practitioners Association and the BDA, and they appeared in our manifesto for the election just past.

We have proposals on capitation. We have proposals on the use of dental hygienists and nurses—which, incidentally, the Minister has not mentioned yet; I hope that she will. We have proposals on registration. Registration is a recurring theme and I am very pleased that there appears to be cross-party unity on its importance.

Finally—I know that the Minister did not mention this—we need to place an emphasis on child oral health because we know that good dental practice is established very early indeed.

Steve Webb: I heard the hon. Gentleman use the word "finally", having devoted 19 of his 20 or so minutes to not saying what should be done. He obviously had the opportunity to table an amendment to our motion to say what should be done, and yet we have a blank sheet of paper from the Conservatives. What actually does he propose, other than saying that child oral health is a good thing, which we knew?

Dr. Murrison: I have just been explaining what we would do. It was contained in our manifesto. I am sorry if the hon. Gentleman feels that child oral health is not important; as the father of five children, I can tell him that it is fundamental. If we establish good dental practice early on—that means regular check-ups early on, and if the hon. Gentleman had taken the trouble to read our manifesto he would have seen how we were going to do that—we stand a good chance of ensuring that the next generation has far better oral health than this one does.

2.7 pm

Mr. John Grogan (Selby) (Lab): I have never been to Cheadle in my life, so I cannot contribute to that aspect of our discussions, but I will try to convey a flavour of the situation across the Pennines, in Yorkshire, on this issue. It is a pleasure to follow the hon. Member for Westbury (Dr. Murrison) and I listened to both his speech and that of the hon. Member for Northavon (Steve Webb) with great care.

The hon. Member for Westbury made some interesting points. He said that Governments make decisions on the basis of the best available evidence. They certainly should, but that seems to me to be a rather technocratic approach to government. Decision making must be guided by a political will, a political vision and a political strategy. In response to some of the criticisms by the hon. Member for Northavon, I honestly do not think that as a Government we focused on dentistry soon enough, and it took a while to put the political strategy and the vision into place. But I think that we are there now, and the next year will be crucial. If I have one criticism of the hon. Gentleman's speech, it would be that he was a little bit easy on some of the practices of dentists down the years. At times he sounded like a spokesman for the British Dental Association, which has a long and proud record and many members who are committed to the NHS, but dentists, like Governments of all colours, have lessons to learn from the past 20 years. I intend to reflect on that in some of my remarks.

I promised to impart a little bit of the flavour of the situation in Yorkshire. To be very parochial for a minute if the House will allow me, I think that in Selby and York, my local primary care trust, the commissioning that the Government have brought in is making a difference and is working. That is one thing that has improved in the past seven or eight years. It does give a very local focus. It enables MPs, councillors and others to speak to the decision makers, to get down to the detail of where NHS dentists are, where there are gaps and where improvements could be made.

In Selby and York, for example, 15,000 extra places have been approved under personal dental schemes for the next three years. It appears that they will be delivered within the next year, and I understand that we will be up to about 56 per cent. coverage in Selby and York. We want to get a little higher than that, but that will not be bad in comparison with a lot of other areas in the country.

One dentist, Mr. Kelsey, made it on to the front page of the *Yorkshire Post*. The Minister and I discussed his case over tea and biscuits for no less than 45 minutes, and I bring her good news. He wants to retire. He could not find someone to buy his practice. He tells me that he is committed to that practice transferring to the NHS. A buyer has now been found, with two dentists in that practice, and the local PCT will propose a personal dental scheme to the Department that, I hope, will be approved, so that the 5,000 places that would have been lost in Selby can be replaced, possibly on a like-for-like basis.

If I have one criticism of some PCTs, it is that the local delivery of dentistry is important. It is not acceptable to have to take long journeys, perhaps on two or three buses, to get to a dentist. In rural areas, it is important that NHS dentistry is available in market towns, such as Selby, Sherburn and Tadcaster in my area.

I want to make two suggestions for improving the situation in Yorkshire. We have heard a lot about queues forming outside dentists' surgeries when they open up for additional NHS places. In some areas, PCTs have introduced waiting lists—Doncaster may be one of them, but there are certainly other examples throughout the country—whereby people who want an NHS dentist go on to a waiting list. Instead of having to queue or ring up every two or three weeks as the situation changes, those people will be informed—in a short period, we hope—when extra NHS places become available in the locality. I urge my own PCT in Selby and York to consider that development, which makes the system much more civilised and efficient. It allows a certain degree of preference to be given to local people to gain access to dentists in their own areas.

Clearly, the expansion of training places in dental schools is important. In both Leeds and Sheffield, expansion is occurring by a factor of about a third in the coming year. It would be remiss of me not to put in a plug for the merits of the very successful medical school at York and Hull. Indeed, one of the bids for a new

dental school comes from York and Hull. I know that other hon. Members would advocate different areas, but that is a particularly good bid from God's own county.

I want to make a few comments about the nature of dentistry and dentists themselves. We are coming into an absolutely crucial period for the negotiations during the next few months. I remind the House that, despite the problems of the past few years, NHS dentists earn, on average, £75,000 or £76,000—considerably more than MPs—and most of them also do private work. We are talking about relatively highly paid people, many of whom are very much committed to the NHS, but it takes two to tango in negotiations, and there is a high expectation among Labour Back Benchers that if the Minister puts a reasonable offer to dentists, as I am sure she will, they should respond in kind. That will involve changes in working practices.

If we look back over the past eight years, another thing that has become apparent, for whatever reason, is drill-and-fill—I think that was the phrase mentioned by the Minister. Numerous reports, dating back to one in 2000 in the NHS prepared by Aubrey Sheiham, professor of public health at University college London, refer to practices such as dentists

"inflicting £200 million of extra scaling, X-rays and fillings on patients to boost earnings",

and an economic model encouraged them to do so. The report states:

"Studies show that dentists replace fillings far more than necessary, and that if they suffer a drop in income, they will replace their patients' fillings more frequently."

There were economic incentives for dentists to adopt such an approach, but that will not happen under the new contract, and nor should it. Perhaps some patients will be seen less frequently. If there is less dental need for them to be seen every six months, perhaps a check-up every year or so will be sufficient, and a lot of dentists who are committed to the NHS realise that.

It is interesting that perhaps one of the better puns that has been coined in this respect appeared in the *Yorkshire Post* headline "Dentists set to bare their teeth". The *Yorkshire Post* has been running quite an effective campaign called stop the rot—a rather more hackneyed phrase—but nevertheless it has been pointing out some of the things that hon. Members on both sides of the House have mentioned today: the expansion of dental places, the need for a new contract and so on.

A few weeks ago, the front page of that paper commented on an attempt by the leadership of the British Dental Association to get its members to go on strike for a day and not to do routine NHS treatment. Rather less prominently, it reported the following day that that attempt had been rejected by two to one. The dentists themselves decided that a much better approach would be to lobby Members of Parliament, and they will do so in July.

The *Yorkshire Post* and, indeed, most people in Yorkshire would agree that we want value for money, that it is not a question of writing a blank cheque to dentists, as I am sure the hon. Member for Northavon would agree, and that those negotiations depend on a responsible attitude on both sides. Where that responsible attitude is not shown—I hope that that will not be countrywide, but there may be PCTs with particular problems—it is well worth reminding dentists that there is another model: a directly salaried model.

Many dentists from overseas are coming in on that model and are directly salaried by the PCT. If that is what is takes to fill the gaps in NHS provision, that approach will receive a great deal of support among Labour Members. Dentists cannot have the NHS over a barrel. They have earned reasonable amounts of money from the NHS in previous years, and I think that they will be offered that in the future. Many of them are committed to the values of the NHS. However, if it is a question of taking on local dentists in certain areas and ensuring that NHS dental provision is maintained and expanded, that is what Ministers must do.

Incidentally, we have an almost all-female team in the Department of Health, with a solitary male Minister. We have a number of strong female Ministers and I am sure that my hon. Friend the Member for Doncaster, Central (Ms Rosie Winterton) will, if necessary, show a good deal of Yorkshire grit and determination in those negotiations and ensure that, by the next election, we have a very good story to tell on NHS dentistry.

2.17 pm

Sir Paul Beresford (Mole Valley) (Con): As dentists have been gently attacked, it is rather appropriate to get an opportunity to return that gently. I clearly have an interest, although my dentistry aspect is such that my income does not reach anywhere near that suggested by the hon. Member for Selby (Mr. Grogan)—would that it did.

I want to touch in particular on the point that was raised during the Liberal Democrat presentation—if we can call it that—and I refer to the fact that dentists feel that they are highly trained for five or six years. They have a broad spectrum of facilities that they wish for and a broad spectrum of opportunities to provide a wide range of treatments, but the NHS does not allow them to do that if they keep strictly to the NHS. The key thing—the Minister seems to be moving in this direction and it will be interesting to find out whether it happens—is that the NHS must work in partnership with the dentists providing a mixed service. Using that method, we can attract dentists back into the NHS, as well as providing an opportunity for those who leave the dental schools, move straight into the NHS and suddenly realise that they cannot do much of the work for which they have been trained. We hope that that method will thus prevent them from moving into the private sector, with the consequent loss to the NHS.

It is vital that we have NHS dentistry. One need only walk into an old people's home to see a lady with a broken denture to recognise that that is her means of eating and that she has no opportunity of having her denture repaired, particularly in the south and south-east, as she does not have an NHS dentist, and especially not one who would provide dentures or who would come out to provide dentures because she cannot travel to him. What does she do—live through a straw? We must consider those patients.

There is a crisis, but it is possibly not quite as bad as the Liberal Democrats say, and I do not intend to go through the figures. When I first came to this country, dentistry in Britain was seen by much of the western

[Sir Paul Beresford]

world as being absolutely appalling and, to a fair degree, the NHS was the cause. The hon. Member for Selby touched on that fact, calling it "drill-and-fill". The Australians used to call it "bash the gnash". They used to come here and fill anything and everything. I remember taking on two Australian dentists from Queensland—they will remain nameless—and the figures that they produced at the end of the week for the NHS work that they had done stunned me. I asked them how they had managed it and they said that they got the patients in the chair, filled them with local anaesthetics until they were grey with the stuff, turned up the air rotor and drove round. I saw one or two of their patients and I was absolutely appalled by what I saw. We sacked those dentists, but it took weeks to put right what they had done.

There have been dramatic changes since them. The first change is the addition of fluoride to the water supply, which must be the cheapest, simplest and most sensible way of dealing with dental decay. That is done in many other western nations such as Australia, New Zealand, Canada and the United States and it has got to come here. Fluoride in toothpaste has also made a dramatic difference. My recently deceased father was a dentist in New Zealand and he said that until fluoride in the toothpaste and in the water supply came along, trying to deal with dental decay was like trying to fill the bath with the plug out. He said that the changes it produced were dramatic. We will see that here—indeed, we are already seeing it to some degree.

The second issue that changed the system in the NHS was the introduction of patient charges. To a fair degree, that stopped the Australian-type practice that I have just described. I am not being particularly anti-Australian, because dentists of many nationalities, including English ones, engaged in "bash the gnash". However, when charges were introduced patients started to look at what they were paying for and they used to ask why work was being done again. They did not want the work done again, so they moved to other dentists and a few dentists actually went bankrupt as a result.

When patients realised that they had to pay, they started to ask whether they could pay for something different—whether they could have white fillings, crowns or whatever was available at the time. I know that dentists complained when the fees were cut, but that made them concentrate on what they were providing and look at whether they could provide a better and fuller service. Some of the bad dentists who I know—again, I mention no names—went bankrupt. The technicians carrying out crown and bridge work and making dentures often commented that the standard of dentistry demanded by patients went up as dentists moved into the private service. The standards of NHS dentistry then went up as well. The technicians were stunned because the change happened so quickly.

In the past 10 or 15 years, there have been dramatic changes in dental techniques. The changes have made different approaches available to patients, but they have also brought with them enormous costs. We now have new restorative materials, tooth-coloured composites, techniques of bonding, new ceramic to metal crowns and bridges, new all-porcelain crowns and bridges, inlays, inlay overlays, overlays, veneers and bleaching.

The Minister said that the NHS should not provide bleaching and, in many circumstances, that is right. However, the NHS needs to think again. If a teenager has badly stained teeth—perhaps as a result of tetracycline, which may, by then, have gone—the NHS's answer is for the dentist to pick up a high-powered drill, scream round and take all the enamel off and put on crowns that will have to be replaced again and again. Bleaching will stop that. Patients will have their own teeth that are properly bleached and looking right, and the process can be topped up every three to five years. This brings me to what I am after—a radical rethink.

Techniques have changed. We now have the new nickel titanium endodontic root canal instruments, digital x-rays, various hot seal endodontic filling materials—and many dentists use loupes and microscopes as well as new impression materials. We also have new and reliable dental implants, and orthodontics and oral surgery have also leapt ahead. I deliberately ignore those dentists who use Botox.

Those and many other improvements have meant that the dental treatment available offers the cosmetic approach to dental health care that is wanted by patients. That does not mean that patients are not being looked after, but that they are being looked after differently and that they are choosing, when they can, to pay. Over the past few years, the reactions of patients have been dramatic. It might be basic in some cases as in when they ask for a white filling rather than a black one, but it goes right through to requests in the full American style for a Hollywood smile makeover. The effect of television and magazines on demand over the past few years has been dramatic. Patients have started to get a better understanding of what they want. Sometimes that makes it difficult for the dentist. I remember a 5 ft 2 in lady coming in with a picture of Farrah Fawcett-Majors and asking whether she could have a smile just like that. I suggested to her that she would be more likely to win the Derby if I could manage it. *[Interruption.]* Sweetness and light.

The NHS has not kept up with the treatments that are available, and I do not think that it should. That is not its realm. However, I was a little surprised when, I think, the first Labour Secretary of State for Health said something along the lines that the NHS could compete with the private sector. It should not. According to a recent estimate, that would cost about £6 billion. There are better things that we can do with the money. The NHS's target should be health, although there are variations on that—I referred to bleaching a moment ago.

The new contract offers an opportunity to look at the issue again. Before the contract is set in stone, I hope that the close discussions with the dental profession will bring some changes. I have spoken about endodontics and root canal treatment, but such work is poorly paid in an item-based payments system. However, it is vital for many patients.

To give another silly dental example, an elderly patient with a few teeth left may have a tooth that is heavily filled and that has suddenly blown up because there is an abscess underneath it. The patient suffers the

pain that my hon. Friend the Member for Westbury (Dr. Murrison) mentioned, and the dentist has several options. The first is to take the tooth out, and that is quick and cheap, but the patient's denture will not work anywhere near as well as it did. The other option is root canal treatment, but that is exceptionally difficult for a molar in an elderly patient. It takes one, two, three or possibly four hours and requires loupes, microscopes, nickel titanium reamers and so on. That is just the endodontics but, after that, the tooth then needs to be built up. The recompense for the capital outlay for the equipment—I have not touched on digital x-rays, for example—is pitiful. It should be possible to rethink our approach to try to slant the money towards such preventive treatment as well as towards the prevention involved in teaching children how to look after their teeth better, in improving their diet and in adding fluoride to toothpaste and to the water supply.

I am not attacking the Minister, but I am ignoring much of what the Liberal party has said in its classic approach of attacking everyone but not coming forward with solutions. We have an opportunity to move forward and my hon. Friend the Member for Westbury has described some of the options. The only part of the Liberal motion that has any credibility is the request for Ministers to discuss the issue with the profession. Let us take this opportunity, but without setting things in stone.

We must bear in mind two key issues: the fact that the nature of dentistry has changed dramatically, even though we often look at it in a stone-age way; and the fact that dentists must be encouraged to return to the NHS to provide a basic core service, but be allowed to offer private dentistry because patients demand that. I hope that the opportunity is taken.

2.28 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): It is a great pleasure to follow the hon. Member for Mole Valley (Sir Paul Beresford) on one of the rare occasions in an Opposition day debate when someone brings a lifetime of experience to his contribution. The House is a great deal better off as a result of such a contribution than from the petty political point scoring that goes on.

I certainly welcome the Government's record levels of investment, and it is perhaps not surprising that those on the Opposition Front Benches did not refer to that. One reason why the Conservatives ran into difficulties on under-investment in so many public services was that by the end of their time in government they were having to spend 45p in every pound of new taxation on the economics of failure, paying for the national debt, which had risen to unsustainable levels, and financing the high level of unemployment. It is largely thanks to the Chancellor of the Exchequer and our stable economy that we are talking about making some progress in dental care, albeit somewhat belatedly from the point of view of many of us.

The Liberal Democrats rarely try to make even their own sums add up. They pay no tribute to the Government and take no cognisance of how hard it is to get government right, not simply on individual policies, but across the board in running the economy and making sure that money is available for all the necessary investment.

All Members can give examples of the sort that have been given at length today. The problems go back to the early 1990s. Even last year, when I spoke in an Adjournment debate in Westminster Hall on 20 May, I told my hon. Friend the Minister that the problems seemed to be escalating, although we could see the first signs that there might be light at the end of the tunnel in the work that was going on locally, beginning in the primary care trusts and reflected in the work of scrutiny committees from local authorities across Devon and Cornwall. I congratulate those local authorities on their work in bringing people and PCTs together locally, regionally and nationally to consider what we can do to tackle the extremely difficult problems in the far south-west.

We seem to have been indulging in fanciful word plays today. One idea from Plymouth city council's scrutiny committee was that we might bring the tooth fairy to the rescue. I am not sure what the committee had in mind—perhaps it was to bring a ferry full of dentists across the channel to tackle the problem.

At my Adjournment debate, I spoke about the work going on in the primary care trusts in Plymouth, which was an "options for change" field site, and a year later it is fair to say that steady progress is being made. Of course, it would be nice to report that everything in the garden is rosy—although perhaps I should refrain from using that phrase—but given the context in which we are working, where we have to come to an agreement with people who are independent contractors, the fact that we are making steady progress is something on which the Government should be congratulated.

Plymouth, in common with other hot spots, is receiving support from the Department's dental team. I understand from James Short of the PCT, who is doing a splendid job with his team, that the departmental team visited recently and that they are in the process of agreeing a dental plan for the PCT. That will secure the position of people who already have an NHS dentist, and slowly but surely the PCT is negotiating new NHS contracts to treat new patients.

The south-west peninsula and Plymouth have both achieved the target of 25 per cent. of dentists on local contracts, with the PCT's personal dental services contract. Again, I thank my hon. Friend the Minister for the urgent and immediate attention she gives me and the trust whenever we seek it in dealing with the fine details that can stand in the way of concluding an agreement. Dentists have signed up for three years, which has secured services for more NHS patients in Plymouth. That is not yet enough, but we are in the right direction of travel and, although it will be more difficult over the next year to achieve another 25 per cent. of dentists signing up to NHS contracts, if we succeed we shall be travelling at a speed that should make a difference in some of the difficult situations that my constituents experience.

Mr. Philip Dunne (Ludlow) (Con): The picture that the hon. Lady paints of Plymouth is much more encouraging than the picture in my constituency, where the direction of travel, far from being positive, is the reverse. To pick up on the comments of my hon. Friend the Member for Mole Valley (Sir Paul Beresford), there is a brain drain to Australia rather than to the UK. When I was knocking on doors just before the election,

[Mr. Philip Dunne]

I met a young dentist who had young children and could no longer make a living from his private practice in Bridgnorth, so he was planning to emigrate to Australia—perhaps to indulge in some of the practices to which my hon. Friend referred. That illustrates the problems of providing dentistry, whether private or NHS, in rural areas, which are compounded by the lack of NHS dental facilities. When a new practice opened in Ludlow earlier this year, the local PCT refused to provide details of its telephone number or address for fear of being inundated with applicants for registration, because there were so few available places. That problem in rural areas does not seem to be reflected as much in cities.

Linda Gilroy: As I shall explain in a moment, the far south-west has some of the most difficult problems in the country. It is far from the situation that the hon. Gentleman describes, but I and many of my Labour colleagues work hard with our local PCTs. My PCT has my pager number and I have its mobile number. When there are issues to be sorted out my hon. Friend the Minister is always ready to help. Such things are a top priority for all of us.

It is difficult to achieve change. Plymouth and the south-west remain hot spots. There are difficulties everywhere, but especially at our end of the region: for example, in Devon and Cornwall the ratio of dentists per head of population is 1:3,549; at the other end of our region it is 1:3,081, but in Hampshire the ratio is 1:2,821. There are even more favourable ratios in other parts of the country.

A study by Rabinowitz showed that significant proportions of clinical graduates tend to stay on at the place where they studied. Given the above ratios, I hope that my hon. Friend and her colleagues in the Department of Health, especially the Secretary of State—she knows this is coming—will give serious consideration to the expression of interest from the Peninsula medical school in establishing a new dental school alongside its successful training for doctors. Apart from the good socio-demographic reasons that I mentioned, there are strong clinical arguments for a dental school in Plymouth. My hon. Friend the Member for Selby (Mr. Grogan) asked where we would get the academics to train new dentists. Many academics are practising dentistry in the south-west and are not currently deploying their teaching skills. They could easily be brought back in if there were a local dental school in Plymouth, thereby avoiding the poaching of academics, which could be a problem as we expand our dental schools.

The Peninsula medical school makes extensive use of distributive clinical outreach facilities, which enable students to become familiar with current community morbidity patterns, to which the Minister referred in her speech. Plymouth has established a track record in high quality clinical teaching and one of its four centres of excellence in teaching and learning—there are only five such centres in the country—relates specifically to clinical placement learning. For those and a number of other reasons, which I should be happy to outline to my hon. Friends in the Health team, I hope that we shall be shortlisted for further consideration in the near future. I know that Devon and Cornwall Members from all parties will be approaching my hon. Friend on that subject, too.

While my hon. Friend is securing and steadily building NHS dentistry, we can look forward to that programme continuing year on year into the future. We shall look back on the difficult years and be proud of what we achieved to save and secure an NHS dentistry service for our constituents.

Dr. Murrison: Does the hon. Lady agree that it is important for the Minister to tell us whether she intends to establish a new dental school, or whether we will in fact have dental outreach centres from existing dental schools, or satellite institutions, because that is obviously important in the context of Plymouth?

Linda Gilroy: I certainly agree with the hon. Gentleman.

Ms Rosie Winterton: Perhaps it would help if I clarified the current situation. The 170 graduates who are starting from this year will be spread among existing dental schools, but we have invited applications for a new dental school, which will be considered over the next few months.

Linda Gilroy: I thank my hon. Friend for that clarification. One of the problems with setting up a new dental school is that it could mean that it takes longer to bring dentists forward into clinic practice. A further advantage of establishing a dental school in Plymouth would be that we already have shorter learning models in the medical school, so by using a four-year learning model we could bring dentists on stream at the same time as if the increase in the number of dentists was achieved by expanding places in existing schools. Indeed, we could bring dentists on sooner in years to come.

I conclude by welcoming what my hon. Friend the Minister said and the fact that she will make an announcement next week on Harry Cayton's report, to build on the work that the Department has already undertaken to repair the damage that was done to NHS dentistry and to make charging simpler and more transparent for patients and dentists, which will be welcomed by both groups in my constituency.

2.41 pm

Paul Rowen (Rochdale) (LD): I am grateful for the opportunity to take part in the debate and thank my hon. Friend the Member for Northavon (Steve Webb) for giving us a timely breakdown of the serious crisis in the dental health service. Had I listened to the Minister's speech without knowing about some of the realities in my constituency, I would have thought that everything in the garden was rosy, but unfortunately that is not the case. Over the past eight years, the situation in Rochdale has got worse. Fewer people in Rochdale are now registered with an NHS dentist and there are fewer NHS dentists. Although palliatives have been put in place, the walk-in centre is no longer a walk-in centre because people have a two-day wait before they can be seen there.

The Minister spoke about some of the issues that must be addressed. I agree with the hon. Member for Mole Valley (Sir Paul Beresford) about fluoridation. Yet another debate is going on in the north-west about whether we should have water fluoridation and I have met one of the officers employed by the regional primary care trust who is involved in that. I believe that fluoridation should happen, so it would help if the Government gave clear advice and instructions so that it is not left up to individual areas and authorities to decide whether such a simple and cost-effective way of improving dental health could be implemented.

Ms Rosie Winterton: Just for clarification, guidance will be issued in the summer on the processes that should be followed when engaging in public consultation.

Paul Rowen: I welcome that.

I shall use an example from my constituency to demonstrate the problem with dentist numbers. I have received figures from my primary care trust showing that Rochdale needed 65 registered NHS dentists. We actually have 38, which is why the number of people registered with an NHS dentist has gone down. One of my constituents told me the other week that if people do not regularly attend for check ups, they get dropped off the list, which made my constituent less than happy. We need to change some working practices, such as drill and fill and the requirement for people to attend their dentist every three months if that is not necessary. I welcomed the comments made by the hon. Member for Mole Valley about that matter, of which he has a lot of experience.

There is also a problem with conditions of service and the contracts under which people work. A report appeared recently in the local paper about three young Rochdale-born dentists who wished to establish a new surgery in the town. They could get a grant if they joined an existing practice, but they could not get a grant to open their own surgery. As a result, the three dentists moved 10 miles down the road and now provide a service in Radcliffe in Bury, rather than in Rochdale, which was where they wanted to work.

Many dentists have moved out of the NHS because of the contracts under which they have worked. The Minister will face a big problem when trying to convince them that they will benefit both financially and in terms of their working practice by returning to the NHS. They are currently able to provide services at a cost that they would be unable to offer under the NHS. When the hon. Lady enters into the new contract discussions, she will need fresh thinking about what NHS dentists can offer, otherwise dentists who have got used to private practice and different working conditions will not move back to the NHS. We all want a viable NHS dentistry service, so we want the negotiations brought to fruition in a meaningful way, as the motion makes clear. I look forward to the Minister's statement next week and hope that she will think about what she can do to improve the situation in the north in general, and in Rochdale in particular.

2.47 pm

Anne Snelgrove (South Swindon) (Lab): Thank you, Madam Deputy Speaker, for calling me to speak. I have enjoyed the contributions made by hon. Members on both sides of the House. I pay tribute to the hon. Member for Mole Valley (Sir Paul Beresford), who has sadly left the Chamber, because his speech was extremely eloquent and interesting.

I am pleased to have the opportunity to describe to the House the successes of NHS dentistry in South Swindon and to inform my hon. Friend the Minister of the challenges that we still face. Happily, those challenges are by no means the mountains that they were in 1997 and I am sure that they will be resolved simply by her plans for NHS dentistry.

In 1997, one could not get an NHS dentist for love nor money in Swindon, but the Labour Government's commitment to, and investment in, dentistry, and especially their commitment to training more dentists, has dramatically changed the situation. Our financial investment would be stymied without an increase in the number of dentists, but of course it takes time to train people. It is easy to pass judgment when in opposition. If the training programme were circumvented, the Opposition would accuse the Government of endangering people's dental health. However, because the training programme takes time, Opposition Members complain that the Government are not acting fast enough. They are having their cake and eating it, and they might find that that leads to dental caries, if they are not careful.

I am pleased to say that Wiltshire is involved in the Government's initiative to train overseas dentists. Earlier this year, the primary care trust, the community dental service and the personal dental service investigated training overseas dentists who already lived nearby, but could not practise because they did not have the IQE—the international qualifying exam. The training will allow them to gain clinical experience here in the UK while they study for the IQE. Individuals on the programme fund themselves, but all the partners involved are seeking innovative ways to fund the training—for example, by getting those involved to practise as dental nurses first.

The Government's initiative to increase the number of places for undergraduates is also being supported in the south-west. Bristol dentistry school is, I am pleased to say, developing outreach teaching. The consultant dental manager at our PCT—a difficult phrase to say; I am glad that I still have my own teeth—met with Swindon medical academy and Bristol dentistry school earlier this year to discuss the possibility of outreach teaching at the medical academy. All the parties are keen, but, as always, resources are an issue. I hope that my hon. Friend the Minister of State will be able to reassure me that the enthusiasm of Swindon practitioners will be matched by the funding needed to realise their plans.

Swindon has already benefited from dental access grants to the tune of £170,000. Six applications for funding were made, five of which were successful. The PCT has allocated £95,500 to the successful applicants, which translates into 10,000 new registrations. The money is enabling the five existing services to expand and modernise by providing new equipment and, crucially, four more dental chairs. The PCT is using the remaining money to set up two new dental chairs at one of Swindon's medical centres. By the end of 2005, therefore, Swindon will have a total of six new dental chairs.

Dr. Murrison: I am fascinated by the dental chairs and I wonder who will fill them, given that we have lost 100 dental academics since 2000 and that the research assessment exercise appears to be sounding the death knell of dental academia.

Anne Snelgrove: I thank the hon. Gentleman for enabling me to take my maiden intervention. I think that the Government's plans to increase the number of dentists by increasing the number of undergraduates and by employing people from overseas under strict licensing controls are the right way to proceed. I am sure that we will be able to fill the places.

I was pleased to visit one of the NHS dentists in my constituency a few weeks ago. Ambience dental practice opened in 1998 as a direct result of Government funding, and it has seen 32,000 patients since then. Ambience is one of the pilots in the Government's personal dental services scheme, which began in January 2005. The practice is strongly in favour of the scheme, because it releases capacity and gives the practice a steady monthly income, which helps financial planning.

Under the old general dental services scheme, which is still running in many practices and in many Conservative Members' constituencies, Ambience's maximum capacity was 13,500 patients. If a patient did not attend within a fifteen-month period, that patient dropped off the list—a problem described by the hon. Member for Rochdale (Paul Rowen). If a patient who had once been on the list rang up in pain for emergency 24-hour treatment, Ambience was normally unable to help them and directed them to our local access centre, which we are lucky to have. Under the new scheme, the period in which patients may remain on the list without attending the practice is 30 months, the effect of which is to increase Ambience's capacity to 17,500 patients. That is one of the reasons why I welcome the new contract: the Minister is right to say that it points the way ahead. Because of the new contract, instead of turning patients away, Ambience is taking on an average of 10 new patients a week, which is extremely good news for my constituents.

Under the old budgeting system, a dental practice's income was based on the earnings of the practice in the previous year; in addition, fluctuating payments were made based on how much work was achieved by the practice each month, so when a dentist was on holiday, income fell. Under the pilot scheme, Ambience is given approximately £13,000 per treatment room—it has five—of which 50 per cent. represents salary and 50 per cent. costs. That gives Ambience a stable income and helps it to cater for the ebbs and flows of the dental practice.

With extra Government funding, Ambience could increase the number of treatment rooms available: it has the space to do so in the building in which the practice is located. The building is in the centre of town and would make an excellent extended practice. Each treatment room has the capacity for 2,000 to 2,300 patients per annum, so with two new treatment rooms Ambience could increase practice capacity by 4,600, which would greatly help South Swindon. Ambience dental practice is just one example of successful development by dental practices in Swindon: there are other NHS dental practices which I am sure are equally successful, and I look forward to visiting them.

In addition to the increase in capacity and in the number of patients being treated that I have described, Swindon has a dental access centre for emergency treatment. Sadly, I have had to use it myself, but I cannot speak highly enough of the prompt, efficient service that I received. As the hon. Member for Westbury (Dr. Murrison) has reminded us, toothache is a dreadful thing. It was a relief to me to be seen within 24 hours—something that most NHS patients could only dream of before the Labour Government's investment in dental services.

I am pleased to inform the Minister that, earlier this year, I registered with an NHS dentist in Swindon. It was not difficult, as some would have us believe. I have received excellent service from my NHS dentist, including treatment for an abscess at 9 am on 6 May, which was not how I anticipated celebrating my election, especially given that the course of antibiotics prescribed forbad the consumption of alcohol.

There are two issues to which I wish to draw the Minister's attention. First, not enough of my constituents are aware of the availability of NHS dentists and they sometimes make erroneous value judgments about the quality of treatment. For example, a constituent attending my advice surgery last week—she did not come to discuss NHS dentistry, but she said, "Oh, and another thing," and launched in on the subject—complained that she and her husband had paid approximately £1,000 for private dental treatment, including root canal treatment. Not only did she think that there were no NHS dentists with open lists in Swindon, which is not the case, but she believed that complex treatment could be offered only by private practices. Nothing could be further from the truth. Expert root canal treatment is offered on the NHS—I paid approximately £60 for mine. Incidentally, I was cheered by the comment of the hon. Member for Mole Valley that root canal treatment on elderly patients takes three to four hours: given that mine took less than half an hour, the hon. Gentleman has knocked a few years off me, which alone makes getting elected worth while. We clearly need to publicise the treatments available to an excellent standard on the NHS.

Secondly, I am sad to say that some dentists are charging an initial registration fee before taking on NHS patients. Initial charges can be as much as £40 to £50 and apply to children as well as adults. For those on low incomes, that is a daunting sum to find, so I ask my hon. Friend the Minister of State to look into the issue. One of my constituents recently contacted me about her 10-year-old son, who had severe toothache. He was treated at the dental access centre, but could not be given follow-up treatment there. When my constituent, who is on income support, tried to register her son with a local NHS dentist, she was asked to pay £45, which she could not afford. I understand that there is some dispute about whether that charging practice is allowable within NHS dentists' terms of reference; in my opinion, it should not be, because it places an unacceptable barrier in the way of many who are most in need of treatment. Such charges might explain why the registration of children in Swindon as a whole has decreased slightly, whereas adult registration has increased. Despite that, 69 per cent. of children are registered, which is 6 per cent. above the national average. I do not want Opposition Members to run away with the idea that the situation is dreadful.

As I said at the start of my speech, the issues I have described are ones that the Minister can easily help us to overcome. We in Swindon have seen great investment in dental services and we look forward to it continuing. In addition, I look forward with great interest to hearing about my hon. Friend's plans for the continuing development of dentistry. There is more to be done, as she has acknowledged, but we have made great progress in this important area of health.

2.59 pm

Mr. John Leech (Manchester, Withington) (LD): I am grateful for the opportunity to contribute to our debate on NHS dentistry, which is a serious concern for a number of residents in my constituency and for people across south Manchester.

I support the proposals tabled by right hon. and hon. Friends, who have called on the Government

"to work with the dentistry profession to ensure that the new contract delivers more dentists spending more time working in the NHS."

I regularly receive correspondence from constituents—I am sure that hon. Members on both sides of the Chamber do so too—whose dentists have sent them letters telling them without prior warning that they are going to stop doing NHS work. Those patients are left to their own devices to find an alternative NHS dentist, which is a far cry from the Prime Minister's pledge in 1999 that everyone would

"be able . . . to see an NHS dentist just by phoning NHS Direct".

Figures showing that less than 50 per cent. of people are now registered with an NHS dentist demonstrate the lack of success of the Government's policy on dentistry. One of my constituents in Didsbury is in the unfortunate position of losing two successive dentists. After his local dentist in Didsbury stopped carrying out NHS work, the nearest NHS dentist that he could find was over the border in Cheadle. Not one local dentist in my constituency was able to accept him as an NHS patient. Now he has been told by Cheadle dental practice that it will stop doing NHS work from 1 September. I wonder how many hundreds of residents in Manchester, Withington and will be in the same position?

Who is to blame? Some people might argue that it is the dentists themselves, who not interested in working in the NHS. At least one hon. Member asked why dentists should do NHS work when they can make much more money in the private sector. I do not believe that that is the case. Dentists are not to blame—it is the policies of successive Governments that have failed NHS dentistry. Speaking to dentists in my constituency, it is clear that the majority want to work in the NHS. They want NHS dentistry to be available to all, but it has become impossible for them to carry on working in the NHS. I have already written to Cheadle dental practice more in hope than expectation, urging it to reconsider its decision to end NHS treatment.

I have little reason to be optimistic. This is not about dentists just wanting to make money but about them being unable to deliver a decent service under the NHS contract. In a letter to patients, Dr. Campaigne—I apologise if I have mispronounced his name—of Cheadle dental practice wrote:

"You may well have seen on the television or read in the press that providing quality dentistry has become very difficult within the NHS. I have a loyalty to and from my patients and although I have been prepared to support the NHS in the past I find it increasingly difficult to provide the quality of care to which you have become accustomed and which I feel you deserve."

That sums up the situation. Dentists tell us time and time again that the pricing structure means that dentists are unable to spend time with their NHS patients, give advice on preventive care or carry out good-quality work. Without a complete renegotiation of the contract to give dentists time with their patients and put in place effective plans the situation will become worse, not better.

It was the Conservative Government who were responsible for the decline in NHS dentistry in places such as Manchester Withington and Cheadle. A new contract and reductions in fees in the early 1990s started thetrend, but it is the failure of the Labour Government to do anything about it that has brought the NHS to a crisis point.

Mr. Ian Austin: I would like to ask the hon. Gentleman a question that I tried to put to his hon. Friend the Member for Northavon (Steve Webb). We have heard a great deal from the Liberal Democrats about the shortage of NHS dentists, but the only proposal in their manifesto on dentistry was for personal dental plans. How many extra dentists would personal dental plans require to be trained, recruited and employed, and how would they be paid for?

Mr. Leech: The hon. Gentleman has been in government for eight years. *[Interruption.]* Perhaps he has not been in power for eight years, but the Labour Government certainly have, and they have done nothing to deal with the decline started by the Conservative Government.

In conclusion, the Prime Minister's amendment is typical of a Government with their head in the clouds. I am happy to congratulate NHS staff on their efforts, but in dentistry, their work is made harder by a Government policy that appears determined to end NHS dentistry rather provide than NHS dentistry for all. I noted with interest that the amendment says that

"the Government's ambitions for NHS dentistry will deliver a modernised, high quality primary dental service".

The amendment fails to mention that most people will not be able to access that service, and that fewer individuals will benefit from it unless there is a radical shake-up of NHS dentistry.

3.5 pm

Meg Hillier (Hackney, South and Shoreditch) (Lab/Co-op): It has been interesting to listen to today's debate. The hon. Member for Mole Valley (Sir Paul Beresford) in particular made an interesting contribution. I will not focus on the ins and outs of what goes on in a dentist's room but on the wider issues in my Hackney constituency.

First, I shall comment on the opening speech by the hon. Member for Northavon (Steve Webb). In another life, I was a young journalist in the world of housing. When the hon. Gentleman was first elected we were all excited, because he knew a great deal about his subject and could make good, positive policy suggestions on improving the benefits system. When I sat down on the

[Meg Hillier]

green Benches today, I thought that I would hear something interesting about dentistry, an issue that is important to my constituents and me, as well as to everyone in the Chamber. However, we were disappointed by the fluff and nonsense that we heard. There were no facts of any merit and no positive suggestions about what the Liberal Democrats would do. It was simply blatant electioneering, which is sad, because the issue is important for people in my constituency and the rest of Hackney.

The problems with dentistry in Hackney are very different from the problems experienced elsewhere. We have plenty of NHS dentists, but we lack the patients. The startling fact is that less than a third of residents are registered with a dentist. Just over 61,000 people are registered in a population of 222,000, according to the figures produced by the primary care trust. Locally, the PCT is working with dentists. Thanks to the Government's policies, the priorities are to register more children and to promote preventive work. Eight dental practices have already signed up to the new personal dental services contract. The PCT, particularly its visionary and highly effective chief executive, Laura Sharpe, has made a good start in tackling the problems in partnership with the Government. It is easy for people to carp about things they think the Government have not done, so let us remind ourselves of what they have done. There has been an extra £250 million in this financial year alone—an increase of 19 per cent. in investment in dentistry—and a new dental contract has been introduced.

I am delighted that my hon. Friend the Minister of State is willing to listen to points made in our debate, as there is not a simple answer to some of the problems in NHS dentistry. We do not live in the Liberal Democrat world of easy solutions but in the real world of government. I am delighted that under her stewardship we are working on long-term, sustainable solutions to problems. An extra £9 million has been provided by the Government to PCTs for training to help dentists to prepare for the introduction of the new ways of working from October this year.

Mr. Walker: While all that Government investment is much appreciated, is it not the case that much of it is lost on the public, because they would like more dentists in their community and the chance to get on to dental lists and receive treatment?

Meg Hillier: As I said, in my constituency there is no shortage of dentists in the community, but I accept that we must consider the need for information about the availability of dentists. As my hon. Friend the Member for South Swindon (Anne Snelgrove) said, dentists are available, but people are not always aware that they can register with them. I hope that my hon. Friend the Minister will focus on the positive side of the question rather than the negative and untrue points made by the Opposition.

To return to Hackney issues, I am sure that my hon. Friend the Minister and others would agree that the low registration rate is a serious issue for the health of Hackney residents across the board. Hackney has the second highest proportion of 0 to 4-year-olds in London—just over 8 per cent. It also has a high population turnover—about 20 per cent. a year. That is well illustrated by a primary school that I visited a few weeks ago in Hoxton in the heart of a large number of council estates in my constituency. In year 6 of that primary school, just under 20 per cent. of the pupils have been there since reception. That is an indication of the challenges facing the promotion of registration and access to dental health in populations such as mine in Hackney, South and Shoreditch.

My hon. Friend outlined the Government's approach to increasing the registration of children, and I am delighted about that, but we have only just over 14,000 children registered in Hackney and we need to increase that. I would be keen to work with her and the primary care trust to ensure that boost. I am delighted that the primary care trust has taken the matter up with such vigour, but it is a challenge nevertheless.

Personally, I support fluoridation. In a previous existence, when I was a member of another Assembly, we discovered that, in London, it is particularly difficult to achieve because of the number of water companies and their geographical spread and cover, which makes it difficult under the new legislation to get an agreement to provide fluoridation across London. That leaves many of London's young people vulnerable to decay, especially in parts of east London, including Hackney, where literacy is not so high, population turnover is high and we have a number of migrant communities.

Mr. Walker: The hon. Lady makes a valid point. Does she think that more education needs to be targeted at parents of young children about the importance of providing dental care for young people in her constituency and mine?

Meg Hillier: The Government's excellent Sure Start programme could embrace education in that regard, as well as the many other excellent things that it delivers in my constituency and elsewhere. Parents have an important role, as do nurseries and schools. We cannot provide the necessary education top-down from Government and I would not suggest that. There needs to be an awareness that dental health in children is a good indicator of general health and well-being. I thank the hon. Gentleman for his helpful intervention.

The Labour Government are making a difference in a positive way. Before I finish, I wish to pick up on a point made from the Opposition Benches. The hon. Member for North Southwark and Bermondsey (Simon Hughes) expressed concern about foreign-born dentists. It is a shame that the hon. Member for Mole Valley (Sir Paul Beresford) has already left. I am delighted to have foreign-born dentists working in London and in my constituency, and I was rather shocked that a London Member should raise that as an issue of concern. Clearly, we also need to secure places at home to train dentists, wherever they were born, which the Government are doing.

I hope that my hon. Friend the Minister will address some of the points that I have raised and that we can look forward to a greater emphasis on dental health care, for children particularly, in east London.

3.13 pm

Mr. Jamie Reed (Copeland) (Lab): I have listened with interest to the contributions from both sides of the House. Like many other hon. Members, I am disappointed by the way in which the Cheadle by-election seems to have hung over so much of the debate. That has done the subject a grave disservice. Every time the Liberal Democrats have been asked to provide details of their policy with regard to dental provision, they have offered nothing but evasion and dissemblance.

Dental provision in my constituency, Copeland, is a problem, but there can no doubt that the Government's approach to tackling the problem is the right one. I am grateful for that. The West Cumbria primary care trust, within which Copeland falls, has seen some 2,600 new registrations in the past year alone. That is to be welcomed. In addition, the number of children being registered is 64 per cent. throughout the primary care trust, which is excellent.

In my experience, many dentists in my constituency are committed to the principles of the health service and everything that goes with that. However, it is clear that comprehensive dental provision, not only in my constituency but throughout the UK, cannot rely on the unique professionalism and philanthropy found by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) in his constituency. There needs to be some kind of compulsion in any new contract for dentists with regard to NHS provision. Would the Minister consider a golden handcuffs clause in any new contract, such as that commonly found in business, whereby a large investment in training individuals requires them to repay the organisation that provides that training?

Mr. Walker: Is the hon. Gentleman suggesting that, when dentists graduate from dental school, they should be required to spend perhaps five years providing dental services in the NHS before they start taking on private patients?

Mr. Reed: An element of compulsion should be considered. It is reasonable and realistic to expect that any organisation which invests so much time and taxpayers' money in the provision of a public service should expect some recognition and repayment of that service when it is required.

3.15 pm

Mr. Martin Horwood (Cheltenham) (LD): I should like to tell the House about one family in my constituency who contacted me during the general election campaign. The son had had persistent toothache for months. The family was on a relatively low income, although not on benefit, so they found the typical charges of a private dentist unaffordable. The son's toothache persisted and eventually they were able to get NHS treatment by being referred for emergency dental treatment. By that stage, and after months of discomfort and pain, the son was recommended to have three teeth removed. That is the state of NHS dentistry for some people in my constituency.

The hon. Member for South Swindon (Anne Snelgrove) said that, a few years ago, one could not get an NHS dentist for love nor money in South Swindon. That is still the case in Cheltenham. This morning, I looked at the primary care trust website, which lists all the dental practices not only in my constituency, but in the whole PCT area. There is page after page of dental practices not accepting any new NHS patients for treatment. Out of 30 practices in the PCT area, 27 are not accepting any new NHS patients at all, two are registering only children up to the age of 18, and only one is also accepting some adults, but only charge-exempt adults.

Susan Kramer (Richmond Park) (LD): Has my hon. Friend had the same experience as I have had in my constituency? Although there are a few NHS dentists who will accept adult patients, there are virtually none who will do the more sophisticated treatments, such as dentures, porcelain veneers, bridges and crowns. That is an aspect of the failure of dentistry that is seldom discussed but is an acute problem for my constituents.

Mr. Horwood: I thank my hon. Friend for highlighting that additional complication. In Cheltenham, apart from charge-exempt adults who qualify for that single dental practice, there are no NHS dental practices that will accept adult patients.

Mr. Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman recall that in questions on the subject on 14 June, my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster) referred to children being accepted on NHS lists only on condition that their parents agreed to go private with the same dentist? Has he had that experience in Cheltenham?

Mr. Horwood: I have not had that specific experience but I am alarmed to hear about it. It shows the extent to which NHS dentistry has collapsed, although as my hon. Friends pointed out, it was the last Conservative Government who were at the root of the problem when they changed the NHS contract in the first place.

The primary care trust is struggling hard to redress the situation. It increased funding for the number of dental chairs and the St. Paul's dental practice will consequently have more chairs. It has recruited two Polish dentists to start work in Cheltenham.

The problem is not the number of dentists. A recent study in *The International Journal of Health Geographics* revealed that Cheltenham and Tewkesbury primary care trust had one of the highest densities of dentists per head of the population in the country. The problem is the NHS contract. Unless those two Polish dentists are bad either at dentistry or economics, they will find the same position as in all other dental practices: if they try to pursue the NHS contract, they will ultimately face overdrafts and insolvency. That happened to dental practices in the early 1990s, when the previous Conservative Government first made the changes. The problem was not dentists being greedy, inefficient or trying to charge too much, but the increasingly large overdrafts that they built up as businesses. They simply could not sustain themselves.

Ms Rosie Winterton: If the hon. Gentleman is considering the international recruits that the primary care trust has brought in, I suspect that they will work under the new system of contracts rather than the old

[Ms Rosie Winterton]

one. I cannot understand his contention that they will be in the same position as they would have been in the early 1990s.

Mr. Horwood: It would be nice to know when the new contract will be introduced. This morning, I spoke to the chair of my local dental committee, who has waited for eight years under a Labour Government for something to be done about the NHS contract. It was promised two years ago.

Ms Winterton: If the new dentists are being brought in by the primary care trust through international recruitment, I suspect that they will work under the new personal dental services pilot contract, not the traditional general dental services contract. I hope that they find it reassuring that they are likely to work in that new way and will not therefore face the problems that the hon. Gentleman mentioned.

Mr. Horwood: I am somewhat reassured but the proof of the pudding will be in the eating, if that is not yet another dentistry joke.

We have one of the highest densities of dentists per head in the country. The hon. Member for Hackney, South and Shoreditch (Meg Hillier) said that we should accentuate the positive, but there is little positive to be found. NHS registrations in the Cheltenham and Tewkesbury PCT have fallen below 40 per cent. That is a fall of some 30 per cent. since 1992, when the Conservative Government made the changes. The position under the Labour Government has got increasingly worse.

Moreover, according to the chair of my local dental committee this morning, the situation is set to deteriorate because Gloucestershire dentists are threatening to start deregistering NHS patients. Even if the two Polish dentists provide some NHS registrations, the increase is likely to be offset by other dentists in Gloucestershire deregistering NHS patients. The overview and scrutiny committee in Gloucestershire recently said that there was a genuine risk of NHS registrations deceasing even more unless something is done about the fundamental problem of the NHS contract. It was introduced by the Conservatives, but the Labour Government have done nothing about it for eight years. We have waited two years for a new NHS contract but it has not been provided. The time has come for something to be done.

3.23 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I thank everyone who spoke for their contributions and for exhausting all the puns that can be made about teeth and dentistry. As a new Member, I fear that I might bite off more than I can chew if I attempt any more.

Many concerns have been expressed about a shortage of access to NHS dentists. We must remember that the problems began under the Conservatives with changes in contracts and a reduction in fees, which forced many dentists to take on more private work. That was not helped by the closure of two dental schools. I do not know what persuaded the Conservative Government that that was a good idea.

However, after eight years of a Labour Government, it is no exaggeration to say that NHS dentistry remains in crisis. As the Minister agreed, more than half the population are not registered with an NHS dentist. As she also conceded, dentists continue to drift away to the private sector. Given her words and the underlying problems, the evidence that has been provided here today is not reflected in the wording of the amendment. I welcome the fact that the Department will publish its response to the charging review, but I ask the Minister to publish the report so that we can see to what exactly the Department is responding. I was interested to learn that the Department is scoping the fundamental review of dentistry, which was promised in the Labour manifesto. The fact that such a review is necessary contradicts the words of the amendment.

Mr. Walker: What measures will the Liberal Democrats take to improve dentistry? I fear that I have been out of the Chamber doing other things and I should like my memory to be refreshed.

Julia Goldsworthy: I shall deal with that in due course.

The necessity for the fundamental review and the fact that it will be scoped before it happens suggest that the Government are rowing away as quickly as possible from their general election manifesto pledge.

The access problems have been shown by contributions from hon. Members of all parties. I should like to add my experience to that of other hon. Members. Like my hon. Friend the Member for Cheltenham (Mr. Horwood), I tried to find a dentist in my area who could offer me treatment under the NHS. I thought that I would ascertain whether the Prime Minister's pledge held up and whether I would be referred to an NHS dentist if I phoned NHS Direct. I gave NHS Direct a call and looked at the NHS website. Of a total of 15 practices in my constituency, only four are accepting new NHS patients. None offers occasional or emergency treatment for non-registered patients. Three were ruled out because they accepted new NHS patients from only their immediate area, where I do not live. I live in Camborne and there was only one option for me. I rang that practice directly and was told that I would have to wait between two and eight months. The person to whom I spoke said that they were very sorry, but they could not tell me how long I might have to wait to be registered. If I put my name down, they would try to get back to me. That would depend on what vacancies came up and when they were advised by the primary care trust to register more people.

Mr. Walker: Does the hon. Lady agree that if one had a massive toothache it would be disastrous to be told that one had to wait four or eight months?

Julia Goldsworthy: Yes, it is worrying. When I spoke to NHS Direct, I asked about the provision for emergency treatment. I was told that there was one dental access centre 11 miles away and that I would not be given a contact number because I would have to be triaged over the telephone to determine whether it was appropriate to give me access even to try to book an appointment. I am not sure how it is possible to triage over the telephone.

Anne Snelgrove: That shows the difference between different areas. I turned up at my dental access surgery

and was given an appointment in 24 hours, in which time I was treated. I advise the hon. Lady to speak to her primary care trust.

Julia Goldsworthy: Unfortunately, I do not think that I shall be able to move to Swindon to receive such treatment. However, the Government have a responsibility to provide a minimum standard across the entire country. I hope that the example that I have given will highlight the fact that there are many access problems, as we have already heard today.

Richard Younger-Ross (Teignbridge) (LD): Like the hon. Member for South Swindon (Anne Snelgrove), I too had an abscess, two weeks earlier in the election campaign. My dentist actually got out of bed on a Sunday morning and treated me so that I could continue to work. My agent had an abscess just after the election, however, and was told that she would have to wait two weeks for treatment on the NHS. She ended up having to go private because no relief was available through the national health service.

Julia Goldsworthy: Fortunately, I have not had an abscess in the past few months.

The Government's amendment to the motion states that there has been extra investment and that the head count of dentists has increased. I would be interested to know how those dentists are splitting their time between NHS and private work, and what the full-time equivalent is of NHS dentistry provision. I am concerned that there appear to be mismatches between the Government's figures and people's real experiences on the ground, such as those highlighted by my hon. Friend the Member for Manchester, Withington (Mr. Leech).

My hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) has helpfully passed on to me a written answer to a parliamentary question, which gives a very healthy head count of dentists in North Yorkshire. In contrast, the reality that my hon. Friend has experienced on the ground is completely different. He has been contacted by a practice in Ripon that has had to take 1,000 registered patients off its books because the PCT cannot provide the additional funding that it needs to recruit another dentist. So the Government's figures might appear warm and encouraging on paper, but they bear no relation to people's experiences on the ground.

I am worried about the many unknown factors that need to be investigated before these problems can properly be addressed. At present, the problems are not properly understood. For example, we do not yet know when all the dentists will be switching over to the personal dental services contracts, as negotiations with the British Dental Association have broken down once before. Furthermore, it is not yet clear whether the switch over to the new contracts will result in improved capacity for dental services, or whether the dentists who have already moved over to the PDS contracts have increased their ratios of NHS patients and treatments. Surely it will be vital to know whether the new contracts will help to address the problems that I have outlined.

Fears have also been expressed by the National Audit Office that there will be a reduction in NHS services as a result of the introduction of the new contracts, similar to that of the early 1990s. A further unknown factor relates to the recruitment of overseas dentists. While they are indeed filling a cavity in dental provision, we do not know how well PCTs are absorbing the cost of recruiting and inducting them. With so many PCTs already in deficit, this issue needs to be investigated further.

It is great news that the Government are planning to increase the number of new dentists by increasing the number of students being trained, but how will those extra places be filled when many dental schools are already in financial deficit and having huge problems recruiting academic dental staff?

Mr. Jamie Reed: I am interested in the point that the hon. Lady has just made about dentists being recruited from overseas to provide dental services in the UK. Is she suggesting that there should be an embargo on such recruitment?

Julia Goldsworthy: Of course I am not saying that. I am saying that we do not have enough information about the factors that could be affecting this problem. I am worried that there is a lack of understanding among patients as to what they are entitled to. This is reflected in the number of calls that have been made to NHS Direct. As my hon. Friend the Member for Northavon (Steve Webb) pointed out earlier, toothache is the fourth most popular reason for calling the service, yet one in 11 people who call for that reason are not given a nearby treatment centre for their problem.

Another concern is that the information that callers are given by NHS Direct is simply not correct. To return to the example of the number of dentists in Cheadle—

Andrew Gwynne (Denton and Reddish) (Lab): I am grateful to the hon. Lady for giving way. She might not be aware that Cheadle is in Stockport, as is part of my constituency. The picture that has been painted by Opposition Members, in a blatant electioneering exercise, does not necessarily correspond with my experience, or with the conversations that I have had with health officials in Stockport. Is the hon. Lady aware that 60 per cent. of adults and 70 per cent. of children in Stockport are now registered, which represents a real improvement, contrary to what the hon. Member for Manchester, Withington (Mr. Leech) suggested? That is way above the national average, which is to be welcomed—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. One question is enough.

Julia Goldsworthy: I am not sure whether the hon. Gentleman will be reassured by the information that I am about to give him. The point that I am making is that the help that the NHS is trying to give is based on factors that may not reflect reality. The NHS website states that none of the 18 practices registered in Cheadle is accepting new NHS patients, yet a ring-around revealed that two of them actually are. The concern is that the facts are not right. How many patients looking to register with a dentist will go to the trouble of ringing dozens of practices to see whether, on the off chance, the facts might not be right? That needs to be addressed.

[Julia Goldsworthy]

Concerns about access have also been illustrated by Members such as the hon. Member for Plymouth, Sutton (Linda Gilroy), who is lobbying for a new dental school in Plymouth, which I wholly support, and that reflects a need to get as many dentists as possible into the area because registrations are currently so low. Urgent action is required to rebuild NHS dentistry so that more people know what access they might have to services, as the hon. Member for South Swindon (Anne Snelgrove) pointed out, and so that they can access the services that they need. Will the Minister promise to investigate further how to fill in the current gaps in knowledge so that real and immediate progress can be made?

Linda Gilroy: I have listened carefully to the hon. Lady's comments, as I listened to the opening speech of her hon. Friend the Member for Northavon (Steve Webb), and I have yet to hear her welcome any of the investment, including that which will help the dental school, for which we in Plymouth hope, to materialise. Will she now do so?

Julia Goldsworthy: Of course I would welcome that, if it makes a positive impact on the serious problems that I hope the hon. Lady will concede that we currently have.

I also want to draw the Minister's attention to the contents of the Liberal Democrat manifesto for the previous election, which called for closer work with the dental profession to ensure that it is on board with reforms that will deliver more dentists working for the NHS.

Mr. Walker: Does the hon. Lady agree that the Lib Dem manifesto was slightly short of specifics on that point?

Julia Goldsworthy: Had the Tories submitted an amendment to our motion, we would have been pleased to see the specifics of their proposals.

Mr. Horwood: Does my hon. Friend agree that it is pleasant to see that at least one party in the House is committed to consulting with professions before imposing things on them?

Julia Goldsworthy: Certainly. As the hon. Member for Selby (Mr. Grogan) pointed out, the Government and dentists need to work together to resolve such issues.

The drill-and-fill payment system, which has caused so many problems, should be scrapped as soon as possible and free dental check-ups should be introduced to help promote good dental health, as they will pick up more than just cavities.

Sir Paul Beresford: The hon. Lady refers blithely to scrapping the drill-and-fill fees system, as she called it. With what would the Liberal Democrats replace it?

Julia Goldsworthy: The promotion of oral health, as I was saying.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Is my hon. Friend aware that free eye and dental check-ups are to be introduced in Scotland as a result of the influence of Liberal Democrats in coalition government? The contrast between what is occurring in Scotland and what is occurring in England is testament to the influence that Liberal Democrats can have when we get into government.

Julia Goldsworthy: The Government cannot expect to make adequate progress, no matter how much they invest, unless they understand the scale and nature of the problems that they face. I commend our motion to the House.

3.38 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): We have had an excellent debate this afternoon, which has forensically deconstructed the motion tabled by the Liberal Democrats via a survey of the battle lines of the Cheadle by-election. Some of us also caught at least an inkling of what the Liberal Democrat alternative is.

The Minister of State, my hon. Friend the Member for Doncaster, Central (Ms Winterton), set out some inescapable points that helpfully framed our debate and illuminated the background to many of the excellent contributions that we have heard. She reminded us that dental decay is at the lowest level among children since records began, and that the figures for 12 to 15-year-olds are the best in Europe. She also reminded us that the number of dentists is up 20 per cent. since 1997 to more than 20,000, and that courses of treatment are up by 7 million a year.

One of my hon. Friend's many great strengths, however, is her frankness, and she was frank with the House when she said that our ambition is to go further still. The Government amendment encapsulates that way forward. It sets out an ambition to meet the challenges and build on the progress about which we have heard. Most importantly, however, it addresses seriously the fundamental question: where do we go from here?

Among the contributions that we heard was the opening speech of the hon. Member for Northavon (Steve Webb), which boiled down to two points: the progress made and how to put in place capacity for the future.

I noted that when referring to progress, the hon. Gentleman again used figures relating to the key year—1998—in which the registration rules changed, and the registration period was reduced from 24 to 15 months. The figures for the succeeding years show a very different pattern. They show an increase of 180,000 in the number of registrations, compared with a 2.1 million drop under the last Conservative Administration.

The hon. Gentleman also spoke of establishing capacity for the future. I hope he agrees that the Government's approach—investment coupled with devolution of commissioning to local health professionals, international recruitment coupled with investment in training places for the future, and, most important, the creation of new contractual arrangements allowing NHS and private dentists to increase the capacity that they offer the NHS—represents the way ahead.

Steve Webb: Let me ask the Minister a serious question about accountability. He mentioned the

devolution of commissioning to PCTs. On a number of occasions during the debate when we criticised Government action, the reply was "It's the PCTs". We do not elect the PCTs; we elect Ministers. Where will the democratic accountability in dentistry be when commissioning is decentralised?

Mr. Byrne: We need only remind ourselves of what was said by my hon. Friend the Member for South Swindon (Anne Snelgrove) to understand the impact that can be made by working in partnership with PCTs. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) made a similar point.

The hon. Member for Mole Valley (Sir Paul Beresford) made an extremely well-informed speech, characterised by an enduring commitment to the principles of NHS dentistry. He was right to emphasise the importance of fluoridation: areas with fluoridated water have experienced declines of around 15 per cent. in tooth decay among children. He also emphasised the importance of the new contract, recognising the opportunity that it represents. I hope that during the consultation and the affirmative resolution procedure in both Houses, he will do his best to make his views known.

The hon. Members for Rochdale (Paul Rowen) and for Cheltenham (Mr. Horwood) described some of the access problems in their constituencies. I think that their speeches implied the same conclusion that the hon. Member for Manchester, Withington (Mr. Leech) appeared to reach. I think that they were all arguing in favour of the new contractual arrangements that my hon. Friend the Minister of State will announce next week. I take issue only with the allegation by the hon. Gentleman that the Government had done nothing to address the inheritance of 1997. An extra £250 million is not an empty promise; the recruitment of 1,000 extra dentists is not an empty promise; a 20 per cent. increase in the number of training places is not an empty promise. All those things make a difference, not just in the country generally but in the hon. Gentleman's constituency. For a start, he will have an extra £144,000 in access money.

Mr. Horwood: Cotswold and Vale primary care trust says that the new contract

"does not however increase the amount dentists are paid per patient, so will not 'buy back' the shift to Private dentistry that has occurred."

Does the Minister agree with that?

Mr. Byrne: The hon. Gentleman must wait for the new arrangements that my hon. Friend the Minister of State will announce next week.

Members on both sides of the House spoke of the differences made to access throughout the country. My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) explained how our reforms would benefit urban areas. I thank her for her recognition of the record investment in the NHS and NHS dentistry. I join her in celebrating the availability of dentists in Hackney. She, too, mentioned the important issue of fluoridation, to which I will alert my hon. Friend the Member for Don Valley (Caroline Flint), the Under-Secretary of State for Health.

My hon. Friend the Member for Selby (Mr. Grogan) has not been to Cheadle for some reason, but I welcome his endorsement of our strategy. As he said, his constituency is benefiting from the changes. His local PCT has eight new recruits, and registration has increased by more than 8,000. That is a good example of the difference that can be made—not least in the widening of access—by transferring commissioning to PCTs, which are now in control of £1.6 billion. He concluded with some sage advice on contract consultations in the months to come, which will doubtless be of great benefit to my hon. Friend the Minister of State. My hon. Friend the Member for Copeland (Mr. Reed) added to those thoughts with a helpful contribution of his own.

My hon. Friend the Member for Plymouth, Sutton also congratulated the Government on the progress that has been made. I thank her for that, and in turn congratulate her on engaging with her local PCT. I am sure that its hitting its targets is not unrelated to the strong interest that she takes in local matters. She underlined the strength of her city's claim to be host to a new dental school; I am sure that my hon. Friend the Minister of State will have listened very carefully to what she had to say. What a welcome change to be debating where to open dental schools, rather than mourning their closure.

My hon. Friend the Member for South Swindon highlighted the sharp contrast in her constituency between the situation now and before 1997. Some of the innovation that she highlighted was especially useful. Her constituency has indeed benefited considerably. Her PCT has a growth in registrations of 4,500 coming its way. Her strategic health authority has nearly £2 million extra in capital and revenue resources, as well as an access centre. I must congratulate her on taking a close interest in dental matters in her constituency—so close that she was drawn into a little personal research in what sounded like the most pressing of circumstances. She highlighted the need to publicise the new dentistry services that are available, and I can only agree. She also raised a specific case, on which I shall write to her.

I want to conclude my survey of this afternoon's contributions with that of the hon. Member for Westbury (Dr. Murrison), who opened with some excellent jokes and then proceeded to tell some that were slightly less amusing. I was especially intrigued by his idea that, on the basis of evidence, dental schools will close. I was not sure which evidence he meant. Was it the number of registrations falling by 2.1 million or treatments falling by 600,000? He did not say. He did, however, underline the need for an NHS commitment to dentistry, with which I can only concur.

The hon. Gentleman also underlined the importance of a personal touch, but he said that he was unsure about our commitment to delivering it. Well, the best way to guarantee it is by recruiting more dentists, not by encouraging them to drift away. The best way to guarantee it is by training new dentists for the future, not by closing down dental schools. He emphasised the importance of registration, which intrigued me slightly. The hon. Member for South Cambridgeshire (Mr. Lansley), who is not in his place, has said that the Conservatives' plans do not guarantee patients' ability to register, even in cases where they have secured insurance.

[Mr. Byrne]

In conclusion, I celebrate the House's resolve time and again to address itself to the vital issue of the nation's oral health. This is our third debate on this issue in the past 12 months. Once again, we have spent an afternoon counting the cost of clearing up the Conservatives' legacy. Once again, we have heard of the damage done by their calamitous contract of 1990. Once again, we have heard of the price paid for their decision to close dental schools. And once again, we have heard from the Liberal Democrats a solution—

Mr. Walker: After eight years, is it not about time that Labour started taking responsibility for this issue?

Mr. Byrne: Let us look at the figures. The number of dentists is up by 20 per cent.; the number of adult registrations is up by 180,000 since 1998; the number of treatments is up by 6 million. So I have absolutely no apologies to make for this Government's record in office. It is a record of which we are proud.

Linda Gilroy: A little earlier, I mentioned that one issue that the Conservatives perhaps have difficulty in getting their heads round is that in 1997 we inherited a situation in which some 42p in every new pound of taxation was being spent on the cost of economic failure, unemployment and the national debt, which had got out of control. I did not mention that that figure has now dropped to some 11p in the pound, which means that we have the money to invest in a sustainable way. Does my hon. Friend agree that that is a key point and that it should give us confidence in future?

Mr. Byrne: I agree entirely with my hon. Friend. We can be very proud of the fact that investment in NHS dentistry is increasing by 19 per cent. over the next year.

That leads me to the question of finance. Once again, we heard from the Liberal Democrats a solution, the delicate foundation of which appears to rest on spending money spent once or twice before. The right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) has told the newspapers that his party is embarked on a great adventure. It is embarked on a policy review without precondition or presupposition, a clean sheet and a move away from

"a brief, desultory debate in a largely empty hall",

which I can only assume is a reference to the Liberal Democrat annual conference. I hope that what the Liberal Democrats have heard this afternoon has put them off writing on that blank sheet a break-up of the national health service, as proposed by some of their number in "The Orange Book". What this country wants is NHS dentistry rejuvenated by the reforms outlined by the Minister of State earlier this afternoon. These are the most ambitious reforms since 1948, which promise to accelerate the increased number of dentists, increased number of treatments and increased number of registrations already delivered in the last Parliament.

Dr. Murrison: Before he finishes, will the Minister confirm whether it is his intention to publish Harry Clayton's report next week in part or in full?

Mr. Byrne: We will publish it in full, even though it is unusual to publish the full details of reports constructed by external working groups. The principles and the details set out next week will be extremely important and I hope that both sides of the House will join in a constructive debate on them. The Minister of State has set out a strategy this afternoon and the next steps will be set out next week. I commend the Government amendment to the House.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 65, Noes 467.

Division No. 23] **[3.51 pm**

AYES

Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, Mr. Nick
Davey, Mr. Edward
Dodds, Mr. Nigel
Featherstone, Lynne
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Hermon, Lady
Holmes, Paul
Horwood, Mr. Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Opik, Lembit
Paisley, Rev. Ian
Pugh, Dr. John
Reid, Mr. Alan
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilson, Sammy

Tellers for the Ayes:
Richard Younger-Ross and
Danny Alexander

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baldry, Tony
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Berryon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brady, Mr. Graham

Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Mr. Des
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burns, Mr. Simon
Burt, Alistair
Butler, Ms Dawn
Butterfill, Sir John
Byrne, Mr. Liam
Cairns, David
Cameron, Mr. David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cook, rh Mr. Robin
Cooper, Rosie
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Forth, rh Mr. Eric
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Mr. Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, Mr. George
Howarth, Mr. Gerald
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Mr. Boris
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Ms Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lait, Mrs. Jacqui
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
MacDougall, Mr. John
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacShane, Mr. Denis
Mahmood, Mr. Khalid
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, Mr. Patrick
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Mr. David
Miliband, Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Moss, Mr. Malcolm
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Mr. George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn

Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Shapps, Grant
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, David
Thornberry, Ms Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vaz, Keith
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Tony Cunningham and Mr. Dave Watts

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's record levels of investment in the National Health Service, with expenditure set to rise to over £92 billion in 2007–08; congratulates the Government and NHS staff for improvements in primary care; notes that the Government's ambitions for NHS dentistry will deliver a modernised, high quality primary dental service; congratulates the Government on supporting this with a record level of investment, which has been increased by 19 per cent., or £250 million a year, over 2003–04 levels; further welcomes the increase in NHS primary care dentists from 16,700 in 1997 to 20,192 in April, the creation of 53 dental access centres across England treating some 400,000 patients a year and an NHS support team to improve access to dentistry in areas where there are problems, and the introduction of additional capital grants of £35 million to fund practice improvements; and further congratulates the Government for this investment and programme of reform that has delivered a better quality of life for staff, and improved services for all patients, regardless of their ability to pay, true to the founding principles of the NHS.

Climate Change (G8 Summit)

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to announce to the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.8 pm

Norman Baker (Lewes) (LD): I beg to move,

That this House recognises the serious threat posed to the planet by climate change; welcomes the decision of the Prime Minister to make this a priority for the UK presidency of the G8; notes with concern however the lack of progress being made to secure effective international agreement on the way forward and in particular the wrecking tactics of the present US Administration and the total lack of leverage on this issue by the Prime Minister over President Bush, who is still in public denial of even the basic science; believes that carbon emissions need to be cut by at least 60 per cent. by 2050; further believes that without such action, measures to reduce poverty in developing countries will be severely undermined; calls on the Prime Minister to use the G8 to win support for a successor regime to Kyoto based upon the principle of contraction and convergence, engaging the participation of both developed and developing nations; further believes that he will be in a stronger position to give an international lead if he now tackles his failures in domestic climate change policy, which mean that the UK is now virtually certain to miss its 2010 carbon emissions reduction target and is now in danger of missing even its Kyoto target; and urges him in particular to adopt effective policies to conserve energy within the domestic sector, and to cut emissions within the transport and energy sectors.

I am very pleased that we are able to have this opportune debate, initiated by the Liberal Democrats, on climate change in the run-up to the G8 summit. It is only a pity that, yet again, we have to rely on our Opposition day time for these major debates, rather than having Government time allocated. For the record, in the past four years there have been four Liberal Democrat debates on climate change in our limited Opposition time, only one Government debate on climate change and none at all from the Conservatives. I hope that the right hon. Member for West Dorset (Mr. Letwin) will attempt to rectify that—provided that he is on the Front Bench long enough, given the quick succession of spokesmen representing the environmental interest for the Conservatives.

The right hon. Member for West Dorset made an interesting contribution on beauty, sunlight and daffodils, to which I listened with great interest. It was the sort of debate that I would have been delighted to take part in, perhaps in a study overlooking an Oxford quadrangle. I hope that he will be able to move on to climate change and other more serious issues before very long—which is not to say that beauty is not important, but climate change is perhaps more important still.

The priorities that the Prime Minister has set for the G8 are, as we know, Africa and climate change. Liberal Democrat Members certainly very much welcome those two priorities. They are completely correct, and the Prime Minister is right to consider what he can do through his presidencies of the G8 and the European Union to take those matters forward.

Although Africa is not the prime subject of the motion, my colleagues feel that significant progress has been made there. The Commission for Africa is a welcome development—a good first step—and we very much welcome the obvious progress that has been made on debt and aid, but I am afraid that the same cannot be said for climate change. It may be no coincidence that the Prime Minister has been rather more keen to talk about Africa and aid, where progress has been made, than about climate change, where it has not.

It a common view among hon. Members on both sides of the House that climate change is the greatest threat facing the planet, especially Africa. In January 2004, Sir David King, the Government's chief scientist, said:

"In my view, climate change is the most severe problem we are facing today, more serious even than the threat of terrorism."

Yet, shortly afterwards, the Prime Minister said:

"It's the single biggest long-term problem we face."

He appears to be at odds with his chief scientist about the urgency of the matter.

I make it very clear that the Liberal Democrats regard climate change as a problem today, not one for the long term. It is a problem that requires action now, both internationally and domestically. Everyone knows that climate change is kicking in. I do not need to rehearse the science—it is all very well documented—and people need only look at the weather in this country to see how it has changed in the past 20 years to know that climate change is here and is having an increasing effect on our country and the planet.

We believe that combating climate change and helping Africa are two inextricably linked goals. Indeed, we go so far as to say that we could sort out Africa's debt problems if only we could sort out the aid problems and even the trade problems. Unless we deal with climate change, the good work on the Africa agenda will be significantly undermined because Africa is in the front line when facing problems from climate change, desertification, extra flooding and changes to crop harvests.

Archbishop Desmond Tutu said:

"It is important to understand that Africa and climate change are intrinsically linked, as climate change will affect the welfare of Africans for years to come."

Andrew Simms, the New Economics Foundation policy director, said:

"You cannot make poverty history unless you stop runaway climate change."

If the Prime Minister wants to make progress on Africa, that is good, but he must make progress on climate change as well, otherwise he undermines his own case.

I commend to the House and the Minister the recent report, "Africa: Up in Smoke", which looked at some of those issues in detail. The report made it plain for us all to see that the G8 nations have failed to join the dots between climate change and Africa. It made it clear that unless global warming is checked, development gains will disappear. Fourteen African countries are already subject to water stress or water scarcity, and they will be joined by a further 11 in the next 25 years. Rainfall is predicted to decline in the Horn of Africa and some parts of the south by as much as 10 per cent. by 2050. The land in Africa may warm by as much as 1.6°C, which can affect crop harvests for hundreds of millions of people. Aid policy for Africa needs to be recast to take account of climate change. Greater resources need to be given to adaptation, so that Africa is capable of withstanding some of the effects that are coming down the track towards it very quickly.

[Norman Baker]

Sadly, most G8 nations, including the United Kingdom, are dragging their feet in paying aid to the third world for climate change. The UK has pledged £10 million to a special climate change fund, but so far has paid nothing. Japan, the United States and Russia, which ostensibly signed up to some degree to the aid agenda, have refused to offer any cash at all. Germany has so far paid nothing to the special fund.

Colin Challen (Morley and Rothwell) (Lab): I am pleased to say that the hon. Gentleman was one of the Members who came to the launch today of the parliamentary all-party group on climate change. Many Members from both sides were present. The hon. Gentleman referred to the contribution of other countries. Does he think that during our presidency of the G8, those countries will take the Prime Minister's view that climate change is as important as it is?

Norman Baker: I will come to the other G8 members and climate change shortly, but the quick answer is that there is a commonality of view among many countries on the need to act. Unfortunately, that view is not shared by the United States Administration, and we need to overcome that problem if we are to make progress. The hon. Gentleman leads me on to the strategy for the G8 presidency but, first, may I congratulate him on his efforts this morning to set up the all-party group? I hope that it will do good work.

The Government's diplomatic strategy has been sensible. As far as I can tell, it has been based on four prongs. The first is to persuade President Bush and his acolytes of the scientific case for action on climate change; the second is to tie down the rhetoric on new technologies so that something actually materialises, rather than simply talking in a vacuum about what might be done; the third is to aim towards a communiqué that signs up everyone to a successor regime for Kyoto in some shape or form; and the fourth is to find a way realistically and fairly to bring China, India and other such countries on board. Those are sensible diplomatic objectives for the arrangements that the Prime Minister is entering into.

Mr. Tobias Ellwood (Bournemouth, East) (Con): If Kyoto is to be at the heart of our interest in climate change, will it not be very difficult to address the issues that climate change presents until we get the United States to come on board with Kyoto?

Norman Baker: Undoubtedly, and I shall devote part of my speech to what we should do in that eventuality.

The United States is the world's major polluter. It has 4 per cent. of the world's population, but produces 25 per cent. of its carbon emissions. However, President Bush still denies the basic science that everyone else in the world accepts. His spokesman, Harlan Watson, said a couple of months ago:

"We are still not convinced of the need to move forward quite so quickly . . . There is general agreement that there is a lot known, but there is also a lot to be known."

In other words, that is being used as an excuse to do nothing and to justify the status quo and business as usual.

We have reached the stage at which the only people who do not appear to believe that climate change is with us are President Bush and Lee R. Raymond, the chairman and chief executive of ExxonMobil. They could fit into a telephone box and discuss the subject. That reminds me of the old adage about Liberal Members of Parliament back in the 1960s, who, it was said, would all be able to fit into a taxi. Fortunately, those days are now long gone, and I imagine that they went when Cyril Smith won a by-election in Rochdale. We have moved on, so let us hope that President Bush can move on with his best buddy the chief executive of ExxonMobil.

Mr. Graham Stuart (Beverley and Holderness) (Con): Does the hon. Gentleman agree that it is hard for us to apply the moral pressure on the United States that we all seek to apply when our Government talk tough about climate change and carbon dioxide emissions, set an ambitious target of 20 per cent. and then cut it to 13 per cent? They are failing to deliver. Does he agree with the recent report that suggests that this country now has a worse environmental record than that of the United States, which everyone seems to want to criticise? We all need to change.

Norman Baker: I do not agree that we have a worse environmental record than the United States, but I accept that we need to ensure that our house is in order before we attempt to lecture others. There is a lot of work to be done on the domestic scene, to which I will come later. One of the joys of these debates is that Members are always keen to anticipate the comments that I shall make. I busily scribble them out as I go through my contribution.

We have to ask why President Bush takes the view that he does. Does he genuinely not believe that the science is proven—in which case, he is in a very small minority—or is there some other reason? We need to look at other elements of the US Administration to answer that question, and I look no further than Phillip Cooney, who was a chief of staff for the White House council on environmental quality. Leaked memos that have appeared in the press show that he consistently watered down official scientific warnings and intervened to blur the conclusions of Government scientists before they were published so as to minimise, as far as possible, their views on the threat from climate change.

Phillip Cooney is not a scientist; he is a politician working for President Bush. He was formerly a lobbyist for the American Petroleum Institute, the oil industry's largest trade group and a lobby group vocal in denying that climate change results from man-made emissions. He resigned over the weekend 11–12 June, having taken a job with ExxonMobil that he will start shortly. I can do no better than quote Henry Waxman, a Democratic Congressman who sits on the committee on government reform, who said:

"At a minimum it creates a terrible appearance . . . This is one of the fastest revolving doors I have seen."

That is not a unique example of an individual in the US putting forward views based purportedly on science but actually on their interests or the interests of those they represent. The director of the International Policy Network, Julian Morris, described the Prime Minister's

plans to use his G8 tenure to halt global warming as "offensive". Interestingly, ExxonMobil gave the IPN $50,000.

The leading spokesman for the Competitive Enterprise Institute, Myron Ebell, attacked David King as an

"alarmist with ridiculous views who knows nothing about climate change".

Interestingly, ExxonMobil gave that organisation $280,000. Tech Central Station has also been leading the charge against the science of climate change. It received $95,000 from ExxonMobil. Can Members detect a pattern emerging among those US spokesmen?

Where does that leave the Prime Minister at the G8 summit? What should he do? I feel genuinely sorry for him. He has tried to move things forward with President Bush and the United States through that international forum, but he has been completely rebuffed. All the favours that the Prime Minister has given over Iraq and everything else count as nothing with President Bush. They have been contemptuously swept aside in the one-way street that is our special relationship. It looks as though the Prime Minister will return empty handed from the G8 summit as regards the American Administration. That will of course be only the latest in a long line of rebuffs from best friend President Bush. Whether it is the International Criminal Court, debt relief or Iraq—the list is endless—President Bush says no, no, no.

It is important to realise, however, that when we talk about President Bush we are not talking of the American people—those in America who understand climate change and are arguing strongly for real action. Evidence of a sensible and understanding approach in the US is becoming common.In the Senate, there were the efforts of the Republican Senator McCain to set up an emissions trading scheme by 2010, in a reasonably close vote on 21 June, only a few days ago. There are the actions of US states such as California, where Arnold Schwarzenegger said that the debate on climate change "is over". He has announced a climate change plan with targets to reduce emissions of greenhouse gases to 2000 levels by 2010. As a Republican, he is taking action in the fifth or sixth biggest economy in the world, and he is moving Republican opinion in the US behind the need to take action on climate change.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Just as President Bush is not the USA, nor too is the G8. Does the hon. Gentleman support some of the initiatives from France and Germany, especially the idea for an airline tax, which would contribute towards tackling climate change and provide extra assistance for Africa? Does his party support that?

Norman Baker: There is no question about the need to deal with aviation emissions. All the projections show that they will rise hugely in the next 20 or 30 years. Obviously, an aviation fuel tax would require international agreement and, as the hon. Gentleman will realise, that may not be forthcoming. However, there is the EU emissions trading scheme and my party—and, indeed, the Government, support the inclusion of aviation in that scheme. It is important that that takes place as quickly as possible and at a level that really generates reductions in emissions from aircraft, rather than simply allowing business as usual. It is not a perfect solution and we need collectively to consider others, but there is a major problem that must be dealt with, so we should listen carefully to well-intentioned proposals from other countries that want reductions in climate change gases.

I was talking about California, but other US states and cities have taken action. A pan-US initiative has been founded by Seattle's mayor, Greg Nickels, and dozens of cities have signed up to taking action on climate change. Most, but not all, are Democrat and each has the tough target of cutting its emissions by 7 per cent. Each mayor wants to take a different path, which is fair enough because of local circumstances, but they are all taking the problem seriously and doing something. The EU emissions trading scheme is being mirrored, or shadowed, by nine north-east states, so when the US Administration in Washington come to their senses, they will be able to plug into the scheme. A lot of good things are happening in the US, so the attitude that President Bush takes on the world stage does his country no good whatsoever.

So, how should the Prime Minister approach the impasse that is President Bush? Let me make it clear that getting the US into an agreement would be infinitely preferable to having it outside an agreement. It is a major polluter and a major world player, so we want it signed up as part of a deal to tackle climate change. The Government are right to try to push the button and see whether we can get there, but unfortunately I do not think that we will be able to achieve it. Given the diplomatic objectives that I mentioned earlier, perhaps we can make progress with President Bush on technology. There is investment in the US in areas such as the hydrogen economy, renewables and carbon sequestration.

Mr. Mike Weir (Angus) (SNP): I understand that one of the objections of the Bush Administration to Kyoto is that it does not cover the emerging economies of China and India. Given that it will be necessary to deal with them as part of any overall attack on climate change, will agreement among the G8 be enough? Surely we need a wider agreement over and above the G8 to deal with the problem. Will not the Prime Minister have to move the matter forward in other spheres after the G8 summit?

Norman Baker: Absolutely. The G8 is only a start, but it is an important start. We will also be able to use the EU presidency, but ultimately we need a system that is seen to be fair and equitable throughout the world, which means that we must get not only the US but developing countries on board. Perhaps a system based on contraction and convergence, which would be attractive to all countries due to its fairness, is the way in which we will get agreement in the longer term. However, China and India will not come on board if the biggest polluter in the world is outside any agreement, which is another reason why it is important to sign up the US. The sad reality is that President Bush will not even accept the science, so there is no likelihood of him accepting Kyoto or its successor. The Minister for Climate Change and the Environment said on 27 June:

"Americans are not going to sign up to Kyoto. You're just wasting your time if you think they are, so it's about how we can engage with the US".

[Norman Baker]

Sadly, that is right.

We need to find out what we can get from the US. We might be able to make progress on technology, but we will not be able to get an agreement on Kyoto and we may not get an agreement to have something after Kyoto. Under those circumstances, the Prime Minister and other G8 members will have a difficult decision to make. Will they water down the agreement available to such a degree that the US signs up to it, in which case the agreement will not be worth having because it will be so weak, or will an agreement be signed among willing partners to allow them to plough ahead, even though the US is not on board at that stage? I make it clear that my preference is the second of those options because that is what we have done already by going ahead with Kyoto without the US Administration.

We cannot wait for the US Administration to catch up because we need action now to cut carbon emissions. Signing a robust agreement with other willing countries would strengthen the hand of those in the US—mayors, states, individuals and scientists—who want the country to join in. If, however, an agreement is signed that is not worth having in the end, where will that leave Arnold Schwarzenegger in California and others who think that drastic action is needed? I hope that the Prime Minister will reflect on my message that we need a robust agreement and that the Americans cannot be allowed to veto that agreement. However, I also make it clear that the US must be part of the long-term solution.

We need a target-based, country-based successor to Kyoto and we need support for such a successor regime from the G8. Ideally, we would base the scheme on the principle of contraction and convergence. We need to engage the participation of both developed and developing nations, so I am pleased with the progress that has been made in China and the seriousness with which it is approaching the issue. However, it will not be worth having an agreement if it is a lowest common denominator agreement.

I understand that representatives of China and India are to attend the Gleneagles G8 summit, which is an encouraging step. The message needs to be heard that climate change will affect developing countries first and that taking action on the environment is not a cost, but a benefit to the economy, because the cost of doing nothing in this country and elsewhere will be greater than the cost of doing something. There are good reasons for China and India to be present at the summit. We need to find a way to bring them on board that is not threatening and that ensures that we, as developed countries, acknowledge our role in creating the carbon emissions mess on our planet.

The Prime Minister needs to do one more thing: put his own house in order. With respect to the Prime Minister, it is not sufficient to make grandiose speeches on the world stage while carbon emissions increase at home and our chances of winning the battle against climate change are slipping away from us on our own doorstep. Stephen Tindale said:

"So far Blair's record on climate change is almost entirely a record of fine words and no action. His repeated failure on this issue is undermining his diplomatic efforts."

The public are crying out for action and are ready to take action. A poll published in *The Observer* on Sunday showed that 90 per cent. of the population believe that the effects of climate change are becoming increasingly apparent, 79 per cent. believe that humans are responsible, and 48 per cent. say that Governments should take responsibility. The public are prepared to accept some pretty radical policy choices to move matters forward.

Mr. Edward Vaizey (Wantage) (Con): Does the hon. Gentleman agree with me and with the Liberal Democrat parliamentary candidate for Wantage that one of the measures to combat climate change on which the Government have to make a rapid decision is nuclear power and whether to go ahead with the building of new nuclear power stations?

Norman Baker: I believe that a decision is needed, but not for the reasons that the hon. Gentleman implies. A decision—a decision to say no—is needed quickly because while the debate and therefore the uncertainty continue, people are not investing in renewables and energy efficiency. While they are waiting to see what the Government will do, that investment, which is certain to bring benefits in terms of tackling climate change, is not happening.

Colin Challen: Will the hon. Gentleman give way?

Norman Baker: Yes, although I do not want to turn this into a nuclear debate.

Colin Challen: I am grateful to the hon. Gentleman for saying that, because I do not want it to be turned into a nuclear debate either. He referred to the recent ICM poll that showed that a great number of people are aware of climate change and that almost as great a number think that human activity is to blame. However, somewhat fewer think that the Government are omnipotent and can sort everything out themselves. Does he not think that that shifts some of the blame from our shoulders? Does he agree that we should all accept a personal challenge and will he sign up to reducing his own carbon emissions by 25 per cent. by no later than 2010?

Norman Baker: Yes, I will, although I have already taken action in the past few years, so that is a tougher target for me than it might be for some others. None the less, I am happy to sign up and I congratulate the hon. Gentleman on his initiative. I have never regarded the Government as omnipotent. We have to take responsibility for our own actions.

Mr. David Chaytor (Bury, North) (Lab): I welcome the hon. Gentleman's personal commitment to setting targets and taking action. Why, in their manifesto, did the Liberal Democrats not match the Government's commitment to reduce carbon emissions by 20 per cent. by 2020?

Norman Baker: That is our policy. As I recall, it appeared in the environment mini-manifesto and it remains our policy. I am glad that the hon. Gentleman has given me the opportunity to state that firmly this afternoon.

John Hemming (Birmingham, Yardley) (LD): Does my hon. Friend agree that the Government must revisit their plans for growth in air travel? A second runway proposed for Birmingham airport in my constituency is blighting many residents of Sheldon, but the runway is necessary only because the Government think that air transport will increase by more than a factor of three. Does he agree that it is not possible both to manage climate change and to have massive growth in air transport?

Norman Baker: I agree. We cannot continue with the predict-and-provide aviation policy pursued by the Department for Transport. The aviation White Paper should be binned and the Government should make a rapid start on something far more sustainable.

Last week, in fact, the Sustainable Development Commission, which is chaired by Sir Jonathan Porritt, said:

"The Government's current aviation strategy is entirely unsustainable".

That is a big problem, but the Government are not paying any attention to it. It is the elephant in the room. They need to get to grips with transport policy and do something with it. The SDC report also said:

"Carbon emissions from road transport account for 24 per cent. of the total emissions, and are expected to rise by a further 9 per cent. by 2010. The SDC believes this sector needs radical solutions, and must be tackled urgently."

There is no sign that that is happening or that transport policy is anything other than a matter of waiting to see what happens. The handbrake is off and the car is rolling downhill.

Mr. Graham Stuart: Does the hon. Gentleman agree that if the growth in aviation and its impact on climate change are to be rectified we need to bring aviation within the emissions trading system across Europe? Such market mechanisms are the best and most efficient way of tackling this critical problem.

Norman Baker: I think that I have already answered that, but I agree that market mechanisms are the best way of dealing with many, but not all, environmental problems. Regulation has its place and occasionally complete bans are required. Market mechanisms work, and the inclusion of aviation in the emissions trading scheme in Europe is one way forward. It may not be enough, however, to deal with the projected rise in emissions from that sector.

Mr. Chaytor: Does the hon. Gentleman agree that a vital tool in changing transport policy is the use of fuel duty combined with congestion charging? Will he remind us what his manifesto said about that?

Norman Baker: As the hon. Gentleman is keen on our manifesto, I hope that he accepts that my party was the first to propose congestion charging. We are ahead of the game on road user charging, and we were the first party to suggest differential duty rates on vehicles. I am grateful for the opportunity to make those sensible points.

The Government's record shows that greenhouse gas and carbon emissions are on the way up. There is no chance at all that they will meet the 20 per cent. reduction target for carbon dioxide by 2010—that possibility has gone out of the window. The Kyoto target may not even be met. The Government keep saying that it has been met, but we have not yet reached the date when it kicks in. We are going backwards and we may yet miss it. The Government are complacent and are not keen to do very much. Power station emissions have risen by 9 per cent., and energy use has gone up by 7 per cent. since 1997. According to the latest projections, car usage will increase by 25 per cent. by 2010 and aviation emission by 83 per cent. by 2020. Carbon emissions are out of control, but the Government are not doing enough about the problem.

Mark Lazarowicz: I, too, have had an opportunity to look at the Liberal Democrat manifesto—there has clearly been a run in the Library on that best-selling work. The Liberal Democrats are in favour of national road user charging, but I am puzzled as such a scheme would presumably require a central Government register to show where every single driver had been and whom they had been to visit. That record would be much more intrusive than, for example, an identity cards scheme. Can Liberal Democrat support for the "spy in the sky" national road user charging scheme be considered consistent with the party's policy on ID cards?

Norman Baker: I note the hon. Gentleman's enthusiasm for ID cards and his Government's keenness for schemes of state control. I am an animal welfare spokesman, so I will not say that there is more than one way to skin a cat, but there are different ways of introducing road user charging, and I certainly would not want to go down the route that he suggested.

A revised climate change programme will shortly be introduced. It has been delayed, as the Minister surreptitiously announced on 16 June. The Government are in disarray and the legendary arguments between the Department of the Environment, Food and Rural Affairs and the Department of Trade and Industry continue. The Government are way off target, and they do not want to take a hard decision to get back on target. We need cross-party initiatives and agreement, so I welcome the creation today of the useful all-party group on climate change.

Before the election, my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy) wrote to the leaders of the Conservative and Labour parties inviting some measure of cross-party agreement on climate change, welcoming the fact that some progress had been made and suggesting a common platform on which to go forward. We finally received a reply from the Prime Minister about three months late, saying nothing. We are still waiting for a reply from the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). It seems that the enthusiasm to deal with the matter on a non-partisan basis is limited to the Liberal Democrats. We look forward to a more sensible response from the Conservative and Labour parties than we have had so far to that sensible initiative from my right hon. Friend.

Climate change is here. According to reports last night, Italy believes that 20,000 people died in the heat waves in Italy in 2003. Emergency measures are being taken in France and Spain to deal with the summer heat.

[Norman Baker]

In some places in Spain the temperature is over 40°C and it is only June. If the situation is that bad in Europe, what is it like in Africa? There is an urgent need to take drastic action, and to sell the need to take action to the British people more than has been done so far. There is a need to take action for this country, for Africa and for the world. We are willing to be part of that campaign. We look forward to a constructive and positive response from the other two parties to that challenge.

4.41 pm

The Minister for Climate Change and the Environment (Mr. Elliot Morley): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the UK's global leadership on climate change and in particular the Prime Minister's decision to make climate change one of the top two priorities for the G8 Presidency and a priority for the EU Presidency; recognises that UK initiatives in 2005 have already made important contributions to the international debate on future climate change policy, in particular the scientific conference on stabilisation in February 2005 and the Energy and Environment Ministerial Roundtable in March 2005; looks forward to the Gleneagles Summit and provides its full support to the Prime Minister's continuing efforts to secure a successful outcome; commends the UK's plans to continue to strive for further international action following Gleneagles through both the G8 and EU; further commends the Labour Party for being the only party to commit in its manifesto to a national goal to reduce emissions by 20 per cent. by 2010; celebrates the UK's achievement in already reducing emissions to 13.4 per cent. between the base year and 2003, beyond that required by the Kyoto Protocol; further welcomes the introduction of policies such as the climate change levy and renewables obligation that have been so important in achieving this; and looks forward to the publication of the climate change programme later this year which will set out further policies to deliver the goal of a 20 per cent. reduction in emissions by 2010."

I welcome the opportunity for this debate and I hope there will be further opportunities in the not-too-distant future to discuss sustainability and climate change. If it is possible for the Government to facilitate such discussion, I am sure that we will.

I begin by correcting the hon. Member for Lewes (Norman Baker), who gets very enthusiastic about his argument. On the UK Government's commitment to overseas aid and the £10 million to assist developing countries with mitigation of climate change and adaptation, we are committed to that money, but the details of the scheme and how the money will be spent have not yet been satisfactorily resolved. We are confident that they will be resolved and that the money will be released. It is allocated and the commitment stands.

As a country we contribute more than we are obliged to contribute to the global environment fund, which is important for tackling climate change globally. We are one of the biggest contributors. The United Nations environment programme is a voluntary fund. It is not an indicative scale, though many of us feel that it should be. We are the largest single contributor to that fund. Let us be clear about our commitment to dealing with climate change internationally.

That does not take into account the assistance that we give through science. The Hadley centre has developed a regional software programme for predicting climatic change called PRECIS, which can be applied to subcontinents. I have had the opportunity to talk to international scientists from India and Brazil, for example, who are using that software, supported by UK scientists, to try and understand the implications of climatic change on subcontinents such as India. That is an important contribution from the UK and our assistance to developing countries in that way is much appreciated internationally.

Mr. Graham Stuart: Does the Minister accept that although our money may go to some use abroad and may be welcomed there, our lead on the subject is poor at home? The root of the problem is that the Government have a record of telling others what they need to do, while at home you set a target of 20 per cent. by 2010 and you promptly drop it. So you are saying one thing abroad and another in the House. That is what the Government consistently do.

Mr. Deputy Speaker: Order. The hon. Gentleman should mind his parliamentary language. He should refer to a colleague in the third person. Good habits should start early.

Mr. Morley: There is more enthusiasm than factual accuracy in the comment from the hon. Member for Beverley and Holderness. It is ludicrous to suggest that the UK is not recognised internationally as one of the countries giving the strongest lead on climatic change. Everywhere I go—as a DEFRA Minister, I attend many conferences and meet many people from all over the world—the importance of the lead that the UK has given is constantly raised and admiration is expressed for our Prime Minister's work and the steps that we have taken.

I shall outline those steps to the hon. Member for Beverley and Holderness—I am sure that he will enjoy that—during the debate. Energy underpins our approach to climatic change. The energy White Paper, which sets out our energy policies for the longer term, is held up as a model internationally for what countries should do when defining a long-term energy strategy. I shall give a few examples of what we have done in the UK shortly.

If the hon. Gentleman wants to discuss a lead, perhaps he will tell me what other G8 country is on target to meet its Kyoto commitments, let alone to have reached it. He is welcome to intervene if he knows the answer. Apart from the UK and Sweden, what other European country is on track to achieve its Kyoto target?

Mr. Stuart: Are we going in the right or the wrong direction for meeting that target?

Mr. Morley: We are going in the right direction to meet the Kyoto target and are well on track for achieving it. The hon. Gentleman should not lead with his chin in interventions.

Mr. Chaytor: Have not the Opposition opposed every Government proposal for moving us towards the 12.5 per cent. target and subsequently the 20 per cent. target?

Mr. Morley: They have. I was intrigued by the Conservative manifesto and wondered how abolishing

the climate change levy and the funds for the Carbon Trust would help to fulfil our commitments on energy efficiency and our targets.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Does the Minister recognise the role that the dash for gas, led by a Conservative Government, played in our ability to meet the Kyoto targets? Will he acknowledge that CO_2 emissions have risen under the Government since 1997?

Mr. Morley: Emissions have increased only marginally since 1997. I shall explain the reasons for that shortly. It is true that the dash for gas contributed to the fall in CO_2 emissions and I would not pretend otherwise. However, the measures that we have introduced over the years mean that the percentage contribution of the dash for gas has fallen from 40 per cent. to 30 per cent. It will fall further to around 25 per cent. as other measures kick in. One of the other contributions was the destruction of jobs and industry under the Conservative Government. Perhaps the hon. Gentleman does not like to be reminded of that.

The UK has demonstrated clear leadership in tackling climate change by reducing greenhouse gas emissions and showing that that need not affect our economic competitiveness. Although there has been a small increase in CO_2—generally due to increased coal burn—we have had the strongest economic growth in the EU, yet CO_2 emissions have risen in every other mainstream EU country by a much greater rate than in the UK. I say that to put matters in perspective. It is not an excuse because we intend to tackle the problem. However, it is wrong to suggest that the UK is out of sync with other industrialised nations. Our record remains one of the best.

Mr. Oliver Letwin (West Dorset) (Con): Does the Minister agree that there has been uneven development in that pattern of growth? Does he know how many manufacturing jobs have been lost during the Government's tenure? Does he agree that, if manufacturing is declining, CO_2 emissions should decline with it?

Mr. Morley: Manufacturing jobs have declined in the UK, as has been well documented, although not as much as previously. They have also declined in other European countries.

There are a number of reasons for the increase in CO_2 emissions—transport and energy are the biggest contributors. I shall return to that point in a moment. The 2003 figures show that the UK has reduced its greenhouse gas emissions by 13.6 per cent. since 1990, while the UK economy has grown over the same period by more than 36 per cent. I do not think that any other country could demonstrate such a record of economic growth while keeping emissions down.

John Hemming: Will the Minister give way?

Mr. Morley: I will make some progress, if the hon. Gentleman does not mind.

In 2000, the Government introduced the UK climate change programme, which focused on policies and measures to achieve our Kyoto target. The Kyoto target is important and we are one of the very few industrial countries that are well on track to meet it, but we want to do more. We therefore set ourselves our own domestic target of reducing carbon dioxide emissions by 20 per cent., as the hon. Member for Lewes rightly stated. We also want to do more by reducing CO_2 emissions by 60 per cent. by about 2050.

I heard what the hon. Member for Lewes said about his party's manifesto. He will know that, before the election, the non-governmental organisations asked for four key commitments from all the parties. We made all those commitments and put them in our manifesto; we were the only party to do so. One of those commitments was that we would recognise the fact that, if we did not take further action, we would not reach our target in 2010. We conceded that. We also reaffirmed our commitment to reaching the target of a 20 per cent. reduction by 2010, and that commitment remains. I shall explain how we intend to achieve that.

We accept that if we take no action from now, we will not achieve a 20 per cent. reduction. However, that is not the position that we are going to take. We have put in place the climate change review, which will come out in November. It is looking at all methods and options that can be used to achieve our target. Without the measures introduced in the climate change programme in 2000, involving energy efficiency, domestic targets, changes in company car taxation, the climate change levy and the UK carbon trading scheme—the first national scheme of its kind in the world—we would probably now be producing about 15 per cent. more than the 1990 level of greenhouse gas emissions, rather than producing about 14 per cent. below that level, as we were in 2003. That is the kind of impact that our domestic measures have had. There are, however, still pressures that have resulted in a rise in CO_2, and I shall address those issues in a moment.

Anne Main (St. Albans) (Con): Will the Minister give way?

Mr. Morley: I should like to make some progress. Perhaps the hon. Lady could intervene later.

We have to consider what we can do to achieve our domestic goals, and that work is under way. We have no illusions about the challenge that we face. We have deliberately set ourselves ambitious targets because we want to demonstrate that we are serious about what we are doing in our own country to reduce greenhouse gasses. I accept the point made by the hon. Member for Lewes that, if we are to give global leadership—as we are doing—we must demonstrate our commitment in our own country. We are absolutely committed to doing that. We cannot tackle climate change unilaterally. We must give a clear lead in our own country and face our own responsibilities, but we must also take action in conjunction with our international partners. That means being successful in our own domestic programmes.

The Prime Minister has made tackling climate change a central theme in the UK's G8 presidency this year, as the hon. Member for Lewes rightly pointed out. The Government's primary objective is to raise the profile of climate change as a matter that deserves the attention of the Heads of Government in the G8 and beyond, so as to

[Mr. Morley]

promote international consensus on the need for further action to control emissions. It is fair to say that some people still need to be convinced of the need for further action, although I am glad to say that their number is declining. Nevertheless, we need to make that case.

We have set ourselves some more detailed, and no less ambitious, objectives. First, it is important that at the Gleneagles conference we come to a better understanding of the science involved, which means addressing some of the doubts that have been raised. We very much welcomed the statement from the national scientific bodies of all G8 countries, including the American Academy of Sciences, which was important.

Secondly, we want to ensure that the G8 agrees to a package of practical measures focused on technologies with significantly lower greenhouse gas emissions than traditional technologies—such as clean fuels and the hydrogen economy, as has been pointed out—on which a great deal of work is taking place within the G8 and which requires co-operation. There is also a need for technology transfer to emerging economies and developing countries.

Thirdly, we need to work in partnership with the major emerging economies to reach a new consensus on how to deal with the future challenge. That is why I am pleased that China, Brazil, South Africa, Mexico and India have deliberately been involved in the G8 process, as we must bring those major economies on side. Incidentally, China emits more greenhouse gases than the whole European Union put together and is now the world's second biggest emitter. I was pleased at the positive response from the Chinese when we discussed those issues in the environment and energy round table meeting as part of our G8 process, which 20 Ministers from around the world attended, including Chinese and Indian Ministers, which was useful.

I should emphasise that the Gleneagles aspect is but one part of our G8 process. The science conference, which we hosted at the Hadley centre in February, was successful in attracting the world's leading scientists. Its outcome suggested that the risks identified with climate change are probably more serious than was previously thought, which makes the need for action even more important. The statement on 7 June from all the science academies backs that up. The science academies also called on G8 nations to

"identify cost-effective steps that can be taken now to contribute to substantial and long-term reduction in net global greenhouse gas emissions".

That supports our objectives under the UK's presidency.

We also want to consider practical measures on technology, and specific proposals are being prepared in collaboration with our G8 partners on cleaning up fossil fuels and improving energy performance. The G8 has already agreed, under the Evian action plan on science and technology for sustainable development, to accelerate the research, development and diffusion of energy technologies, and we hope that the G8 can build on that by agreeing to turn what is currently political agreement into real action.

Joan Walley (Stoke-on-Trent, North) (Lab): In the course of the discussions at Gleneagles, can my hon. Friend examine closely new environmental technologies? In terms of the further research that is needed and the action plan, will he examine what opportunities might exist for collaboration between companies and Government in this country and in China and India? For example, new kilns in the ceramics industry, which are currently being fitted, do not receive full tax concessions, but a collaborative exercise could make a huge difference in terms of combating global warming.

Mr. Morley: My hon. Friend makes a good point. There is scope not just for collaboration with some of the emerging economies, which will reduce emissions, but for collaboration that will be beneficial to our industries, improve innovation and help companies that have new technologies and new ideas. We should not forget that environmental technologies will create jobs, and that dealing with climate change also provides opportunities—it is not all about restrictions and costs. I shall make that point as well.

Mr. Hurd: On the subject of partnership with emerging economies, the Minister will be well aware of the importance of rain forest and forest vegetation in terms of storing carbon. He will also be aware that Brazil is the major steward in the world of such forest vegetation, and that forest stripping has returned to 1995 levels, despite the best efforts of President Lula. Does he expect that the G8 agenda will include discussions on the role that the international community can play in helping Brazil combat that problem, possibly by giving it some financial credit for the assets on which it sits?

Mr. Morley: I am sure that those issues will be discussed. They have already been discussed in the United Nations forum on climate change and the United Nations forestry forum. There are serious questions to be asked about how forests can be used as carbon sinks, and the possibility of carbon credits. I think that the appropriate forum is the climate change forum, because this is a global, international issue. Some people believe that the G8 should set targets, but it would be very arrogant for just eight of the world's richest countries to decide what everyone else in the world must do. The G8 countries must give a lead and give encouragement, but the commitments must involve the international community as a whole, and that must take place in the UN framework. The G8 cannot short-circuit the process.

Mr. Chaytor: My hon. Friend speaks of costs and opportunities. When the price of oil was $30 a barrel, it was understandable that business should think costs were involved in adapting to climate change. As the oil price reaches $60 a barrel and moves inexorably to $100 a barrel, that—more than anything that we could do—will concentrate minds on the opportunities and benefits.

Mr. Morley: That is a good point. Moreover, with prices at those levels, some technologies and developments that were not viable when the price was $30 a barrel are viable now, when the price is unlikely to return to the lower levels of the past. There are many reasons for seeking non-fossil fuel alternatives, but now there is that additional incentive.

We expect economic development to continue in the developing countries, which means an increase in greenhouse gases. We in the G8 have a role in helping emerging economies to move towards a low-carbon future. That means thinking about clean coal technology, energy efficiency, renewable energy and what we can provide in terms of capacity-building, technical assistance and extra finance. We have been keen to involve the developing countries and key emerging economies in discussing the possibilities.

As well as those emerging economies—Brazil, Mexico and South Africa—we should consider the vulnerable developing countries. We must help them respond to the challenges of climate variability and climate change in the context of our overseas development budgets and the aid that we provide, not least in the context of the UN millennium goals. We are off track with those, particularly in relation to water and sanitation, and the impact of climate change does not help.

We must ensure that developing countries have adequate regional and national data, and the capacity to interpret them. That will involve our role in engaging with the United States. I accept that, as has been said, the United States—as the biggest single emitter—needs to do more, but many states, cities and companies want to do more than the current Government allow, and we are engaging with them as well. I attended a meeting of the climate group in Canada, where a number of American states were represented, including California. It is necessary to move faster and further with the coalition of the willing, and we intend to do that. In the G8, however, we must look for common commitment to energy security, local air quality and efficiency savings, as well as to tackling climate change. We expect a robust debate on climate change with our G8 partners at Gleneagles.

The hon. Member for Lewes loves to read what is written in newspapers, but he should reserve his judgment until the final outcome of the G8. A great deal of negotiation is going on, and it will continue to the final minute of the G8 meeting.

The Prime Minister is looking for a meaningful outcome. He did not have to do that; he could have gone for the traditional, well-meaning statement that comes out of the G8. Following such a statement, everyone slaps each other on the back, returns to their respective countries and nothing happens. The Prime Minister wants more than that, but of course, there is a risk involved. We might not be able to persuade people to go as far and as fast as we would like, and we have to accept that. But I ask the hon. Member for Lewes and the House, is it better to go for the soft option or to take a risk, even though there is the possibility of failure? I think that we should go as far and as fast as the agreement that we get will allow us.

Norman Baker: If the current US Administration decide not to sign up, do we go with a coalition of the willing, or do we opt for a piece of paper signed by everybody, which is less worthy?

Mr. Morley: We are already going with a coalition of the willing. As I pointed out to the hon. Gentleman, the action that we are taking domestically is unilateral, and in that respect we are going far beyond any international agreement. The climate group, to which I have already referred, is also going beyond any international agreement and, of course, what has been agreed by the G8. We want to find a consensus and to make progress where we can, but that does not mean that we will not go further in other areas; nor does it mean that Gleneagles is the end of the story, a point to which I shall return.

As I have said, we want the actions taken at Gleneagles to complement the United Nations framework convention on climate change. That is the proper forum for such matters and we must work with it. This process also involves looking at new international frameworks. The hon. Member for Lewes referred to contraction and convergence, and I want to make it clear that the UK remains open to any new international framework, so long as it is realistic, relevant to countries with different national circumstances, robust, capable of being adjusted in the light of experience, and durable. Such a framework should not become irrelevant within a few years.

I am quite interested in contraction and convergence, particularly the social equity aspect, which is its great strength. There are potential problems, however. For countries with very large populations—or for those that have done little to empower women on issues such as birth-control choices or school education—such an approach could involve some negatives. It could give certain countries a huge carbon allocation, which would remove any incentive for carbon efficiency. I recommend to the hon. Member for Lewes an extremely good pamphlet on global climate change, produced by the Pew Centre, which lists more than 40 different approaches, including contraction and convergence. They are all worth looking at, and we have an open mind on this issue.

We are also engaging with international businesses in order to hear their views. The views expressed in the poll in *The Observer* were very interesting and we should take note of them. That said, nearly a third of those questioned felt that businesses should take the lead in tackling climate change. It is clear that the business community has a critical role to play, and many individual businesses have already taken major steps to reduce greenhouse gas emissions.

Mark Pritchard (The Wrekin) (Con): I hope that the rural economy, farming and their relationship with the environment will be discussed at the summit. I should be interested to hear the Minister's views on bioethanol production and sugar beet production, particularly in my Shropshire constituency.

Mr. Morley: The Government have set up a taskforce, chaired by Sir Ben Gill, to look at biofuels. His report will be coming out very soon. The hon. Gentleman might also like to know that we recently set up a rural climate change forum, the first meeting of which took place this week. It is examining the entire range of rural issues, including the very one that the hon. Gentleman raised: the contribution that agriculture can make in dealing with climate change. I am glad that we are fortunate enough to have prominent people on that forum, who can give us the benefit of their experience.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Will that taskforce also look at using biomass as a renewable heat substitute, and can a

[Sir Robert Smith]

renewable heat obligation finally be introduced, in order to allow our rural areas to make their contribution to reducing carbon emissions?

Mr. Morley: I have not seen the report of Sir Ben Gill's working group. I know that it is looking at biomass, but I am not sure how that fits in with the heat obligation. I am well aware of these arguments and I have some sympathy with them. It is perfectly reasonable that we look at them in the context of the climate change review.

The Prime Minister gave a keynote speech to the World Economic Forum annual conference at Davros. He asked 25 international businesses, including Swiss Re, BP, Hewlett Packard, E.ON and Ford, to look into the issue of climate change and to produce a message that he could take to the other G8 leaders at Gleneagles. It brings us back to the point that some people internationally still believe that taking action on the climate will damage their economies, but that is not necessarily the case, so we must emphasise the opportunities. The message from those companies proved to be a strong one: they said that we must take action now and that Governments must send a strong policy signal to the markets to take into account the long periods over which investments in infrastructure are made. They highlighted the need for rapid commercialisation of new technologies, many of which are already developed; they dismissed the notion that climate change causes harm; and they pointed out the economic benefits, on which we should all focus.

We must also ensure that we feed in from the G8 into the forthcoming Montreal conference. I am pleased to say that a seminar of Government experts held in Bonn this year saw very constructive discussions on the future action of the COP—conference of the parties—that went beyond the original remit of that seminar and exceeded expectations in the positive nature of its tone. There would have been no meeting of Government experts in Bonn had it not been for the work of the EU group at the conference at Buenos Aires—the last COP. I pay tribute to the Dutch presidency and the Dutch Minister Peter van Geel and his team. We also played an active role in respect of bilateral negotiations with the US and others, bringing about agreement to have the seminar, which paves the way for looking at future commitments post-2012. Without the EU, there would have been no agreement at all in Buenos Aires.

John Hemming: Will the Minister explain what might happen at the G8 in respect of international flights? My understanding is that Kyoto ignores international flights. The UK emits perhaps 1 million tonnes of carbon a year that is domestic and 8 million tonnes that is international. Is it possible at Montreal, in the climate change review, or at the G8 summit to bring international flights into the calculations?

Mr. Morley: The G8 is not the forum for that because international agreement is required. The appropriate forum would be the United Nations framework convention on climate change. I believe that we should take action on global aviation and we have raised the issue. In all honesty, I would have to say that, at the moment, a majority of the international community is against taking global action. I greatly regret that, but that is where we are. That does not mean, however, that we cannot take action on aviation in the EU. Indeed, as mentioned in the debate, one of our objectives for the UK presidency is to bring forward proposals on how best to include EU aviation within the EU carbon trading scheme. I am optimistic that we will be able to do that, but we will not be able to complete the negotiation process under our presidency, because the time scale is longer than six months. We can get it on the table, start the process and build support for our approach, which is very important.

I conclude by returning to the point that Gleneagles, the G8 presidency and the process are all important, but that Gleneagles is but one part of the process. There are some key new summits scheduled for the autumn—the EU-India summit, the EU-China summit and the EU-Russia summit, for which the UK will be in the chair as president. We have already discussed with those countries, in connection with the ministerial round table discussions, the issue of climatic change and we expect it to be a feature of those summits. That will represent an important step forward.

On 5 and 6 October, we will host an international business conference on climatic change. The purpose is again to stress the point that taking action on climatic change is not necessarily bad for the economy and that there can be advantages in it. Furthermore, on 10 and 11 November we will host a joint EU-G8 conference on environmentally friendly vehicles, which will be held in Birmingham. Those are all steps towards building consensus, raising the issues, getting support internationally and moving forward to the crucial next COP in Montreal of the United Nations framework convention on climate change. That is where we have to aim to achieve global agreement. At Montreal, we will press for the conference to agree to start negotiations on the framework beyond 2012, which we hope will produce a regime capable of tackling this most pressing challenge.

I have spelled out the Government's proposals in some detail and what we are doing both nationally and globally. I have also set out what we have done to tackle climate change and what we are doing for the future review. I do not believe that any other major industrial nation has a record that can rival the UK's.

5.15 pm

Mr. Oliver Letwin (West Dorset) (Con): I begin with an observation about the character of the debate that the hon. Member for Lewes (Norman Baker) may find surprising. More than is the case with any other matter, we are all in this together. There is not a scintilla of difference between the three main parties—and I suspect that the same is true for the minority parties, too—about our objectives.

For that reason, we all ought to make a solemn and binding agreement that we will not introduce into the debate any unnecessary crypto-partisanship. On the whole, I absolve the two main speakers, and I do not propose to make remarks about the contents of the Liberal Democrat election manifesto. That party has been seriously committed to trying to do something about climate change for as long as I can remember. That is clearly the Liberal Democrat position, and it is

also the Government's as the Minister has been committed to the same goal, also for as long as I can remember.

Of course, there are shades of opinion and commitment within the Government, as there are in the Conservative party. The Minister is aided and abetted by quite a powerful Minister—the Prime Minister—and we should do the Government the credit of recognising that they aim to do the right thing.

The Conservative party is also committed, and that has been the case for a very long time. Indeed, my right hon. and learned Friend the Leader of the Opposition persuaded the US to join the framework convention by means of a piece of shuttle diplomacy that is one of the most important elements in the evolution of this debate. Therefore, this is not one of those issues that divide the three main parties. However, I happen to agree with the motion and I shall ask Opposition Members to vote with the Liberal Democrats this evening.

The real problem is not about intention, but delivery. It has two dimensions, both of which the hon. Member for Lewes explained clearly. I agree with his observations about one of those dimensions, but my slant on the other is rather different.

I agree with the hon. Gentleman about the Government's delivery on the domestic agenda. The Minister made a typically mellifluous, comprehensive and knowledgeable contribution, in which he sketched many of the steps that the Government have taken. Although the Government have taken a great many such steps, various hon. Members pointed out that they have not proved sufficient to achieve a persistent reduction in carbon dioxide emissions.

Indeed, I stood at this Dispatch Box recently and said that there had been a serendipitous fall in the nitrous oxide emitted as a result of the use of adipic acid in nylon production, and that farmers had done very well in reducing methane emissions and the use of nitrous oxide in fertilisers. Without those factors, the Government would not merely be in danger of not meeting their Kyoto targets but, as the hon. Member for Lewes correctly pointed out, nowhere near fulfilling them. There is therefore an underlying problem.

Leaving aside the fact that Ministers must always present a good front, I am sure that this Minister is perfectly aware of the difficulties facing the Government in meeting the Kyoto objectives. That is not unique to this Administration: all British Governments face the same problems, as this is a very difficult matter. The nation—and Government Departments—must be led to adopt policies that consciously reduce national income. We have to admit to ourselves that a cost is involved. Most of the things that the Government—like most Governments before them—wish to do are aimed at increasing national income. Therefore, having a set of policies that are consciously designed to reduce national income—in some respects—is a difficult proposition and it is no surprise that the Government have encountered some difficulties. However, it is also unhelpful if Ministers pretend to themselves, perhaps through fear of political partisanship from the Opposition, that they can continue to persuade the public that we are going to make progress on—not present policy, because I accept the Minister's point that the review is imminent—what is likely to be policy.

All parties will have to admit that not only for the next four or five years, but for the next 40 or 50 years, the nation will need a framework for the approach to the reduction of carbon dioxide emissions and thus the prevention of rapid global warming, or at least our contribution to it, that is parallel to the process that the Chancellor successfully achieved through the transfer of monetary policy to the Bank of England and the establishment of fiscal rules. The Chancellor created an external discipline. It is not perfect and, in previous roles, I have proposed amendments to it, but it has been on the whole successful in creating fiscal discipline that would otherwise be lacking. We do not, as yet, have an analogous external discipline on the behaviour of this and future Governments in relation to climate change. Until we have such a framework, I am convinced that no Government—not this one nor, as I hope, a Conservative Government in due course—will be able to resist the pressure from many quarters to diminish the speed with which we address the problem, because of the economic costs. I hope that we will reach the point when we agree about that.

Helen Goodman (Bishop Auckland) (Lab): Is not the right hon. Gentleman confusing the costs of tackling climate change and making the investment to become more efficient with the notion that those costs will reduce national output? Tackling climate change will not necessarily be a dampener on the rate of growth of the economy. Indeed, it could be an economic opportunity.

Mr. Letwin: To a degree, the hon. Lady is right. Parts of the wide portfolio of measures that need to be taken to get anywhere near the 60 per cent. target by 2050 have present value advantages and, almost certainly, long-term economic gain attached to them. A classic example is home insulation with fibreglass. There is no doubt that, for most householders, that is already an economic proposition. Part of my case against the Government is not that they have not sought to promote such insulation, but that they have not found an effective means of doing so. Most of our countrymen do not know how they can insulate their lofts, do not know what the economics look like and therefore do not recognise or realise that economic advantage.

We should not delude ourselves. The number of cases in which early economic gains would be made as well as climate change gains is limited. In many other cases, there would be social and economic costs, many of which would last for a long time as well as having a short-term impact. If we were to run the electricity supply industry as cheaply as possible, it would persistently fail to contribute to climate change goals. There is a contrast between what the economics of the situation would dictate and the dictates of climate change. Of course, those relationships alter from time to time, sometimes adversely and sometimes favourably. At the moment, gas prices are rising and coal prices are falling, and that has an adverse effect on a climate change strategy. At other times, technology and other changes will have a different effect.

My point is that we must not delude ourselves. If we are serious about the issue, as opposed to merely playing with it, we need a range of measures over the next 50 years that will have economic costs. We should not

[Mr. Letwin]

think that we can get away without such costs and we have to recognise that, in a democracy, considerable pressure will be felt against such measures. There will also be social costs, such as people having to live next to things that they may not want to live next to, or people having to see things in the countryside that they might not want to see. Those costs also have to be overcome. We therefore need a clear-minded, effective external framework that constrains democratic politics where there is a consensus, in order that we can make real progress over a sustained period.

Colin Challen: Will the right hon. Gentleman clarify exactly what that would be called? Only the other day, I heard a proposal for a carbon policy committee, analogous to the Monetary Policy Committee, that would set an annual carbon budget independently, outside the control of the Government. Is that the kind of proposal that the right hon. Gentleman is making this afternoon?

Mr. Letwin: The hon. Gentleman asks a good question and the honest answer is that I do not yet know. I am in discussion with my hon. Friends to come up with a view about this. Friends of the Earth is promoting a climate change Bill that will advance a view that may or may not be similar. I believe that there is considerable interest in the idea on the Liberal Benches and I suspect that we may be able to persuade many Labour Members to share that.

I hope that we can reach the point where, no doubt with variants for discussion, we can all agree that there needs to be some form of framework. It may involve a proposal of the sort that the hon. Gentleman mentioned, or other mechanisms. But what is clear to my mind is that we cannot simply rely on constantly hoping that the Government of the day will do everything that needs to be done, hang the democratic effects, because we live in a democracy and there are democratic pressures and we would be asking our population to take present pain for future benefit, which is a difficult thing to achieve, so we shall need a very special mechanism if we are to do it over the sustained period that is required in as consistent a way as is required.

Norman Baker: I want to ask the right hon. Gentleman a serious question in response to the serious points that he is making. I accept that it is sometimes difficult for a Government of whatever complexion to take decisions that may be deemed necessary but have short-term political disadvantage, even if they are necessary in the long term. I refer to the letter sent by my right hon. Friend the leader of the Liberal Democrats to the leaders of the other two parties, seeking a common agreement—at least a baseline agreement on which we could all build our different structures. Is the right hon. Gentleman minded to give a positive response to that initiative, so that we can genuinely find a common platform, at least at a baseline level, that takes us slightly further forward in a non-partisan way?

Mr. Letwin: As the hon. Gentleman has offered a serious question I am going to make an admission. By the sound of it, when that letter was sent I was shadow Chancellor, not shadow Secretary of State for Environment, Food and Rural Affairs and, until he mentioned it an hour ago, I had not the slightest knowledge of its existence. I shall try to trace it, but let me offer him something that it is within my power to offer him: wholehearted consent to discussions with him and with the Minister or the Secretary of State about these matters, in an effort to discover the extent to which we can agree on methods, as we are already agreed on goals.

Let me turn to the main point that the Liberals are making in their motion, and with which I also agree. This is not in the spirit of criticism of the Government but in the spirit of offering a constructive way forward. *[Laughter.]* That is not an ironic remark. I mean that genuinely. The spokesman for the Liberals said, and I understand his motivation in saying it, that the Prime Minister was right to go into the G8 saying that his two priorities were global poverty and climate change. I agree with the hon. Gentleman that, as an objective assessment of the problems facing the world, the Prime Minister was right. Given that we are reasonably prosperous and reasonably at peace, those are the two great issues facing the world that probably most need tackling. I am not so convinced that the Prime Minister was necessarily wise to include climate change if he could not achieve more than it currently looks—I take the Minister's point that we do not yet know the outcome—as though he may emerge with. I want to explain why, and then I want to make a proposal about what the Minister and the Secretary of State might recommend to the Prime Minister that he might entertain as a possible way out of the impasse as he participates in the negotiations in the next few days.

I accept that the Minister is right to describe the international negotiations as a long-running process that will run through to the Montreal meeting and beyond. Indeed, it dates back many years to the formation of the original framework convention. I agree that that process exists, but the business of those negotiations is best described, roughly speaking, by the analogy of a large boulder being pushed up a steep hill. It needs a constant effort to go up.

Mr. Morley: Like everything.

Mr. Letwin: It is not quite like everything, because if we stop moving forward with some cases of public policy, we just stay stationary. This process is not like that. If the boulder if not being pushed up, it will roll down. In fact, if the G8 summit is seen as a reverse, it will be a reverse. As I found when I was negotiating the Intelsat agreement, there is a terrible tendency in international negotiations for the parties to decide that, if the thing is too difficult, they will turn their attention elsewhere. There is a real risk that, by elevating climate change as a major component of the G8 negotiations, the Prime Minister will have created the basis for a negative impact from the G8 summit that might not have occurred if he had not originally so elevated it.

The Minister was engaged in a subtle and rather elegant manoeuvre to persuade us that, after all, the G8 summit was no more than a small part. That may be a useful part of the rhetoric of avoiding the problem, but I fear that there is great expectation not just in the UK press, but in the world's media, and if the G8 summit

does not produce a noticeable step forward, it will be difficult, even with the massive presentational skills of the Prime Minister and the Government, to persuade the media not to regard it as a significant setback. Certainly, the Minister and the Liberal spokesman will be as aware as I am from meeting the non-governmental organisations that there is widespread scepticism and concern among the NGO community, which will be reflected into the media.

How then can the Prime Minister and the Secretary of State, even at this late stage, hope to make some significant progress from the G8 summit? In answering that question we must admit, of course, that it is not the case the US will sign up suddenly or, indeed, at any time to the current Kyoto agreement. Nor is it the case—I very much take this point—that the US will sign up until and unless it believes that China, India and probably Brazil will also come into the fold.

I accept therefore that this is a jigsaw puzzle and it is a mighty difficult jigsaw puzzle to get right. It is difficult to find the pieces that lock together in the right way. I also accept that that will not occur at the G8 meeting. That need not be fatal if—this is what the Prime Minister ought to try to negotiate—what comes from the G8 summit is not just, for example, a commitment to a nugatory investment in certain kinds of technology or warm words, but rather a definitive process, with a timetable attached, so that people can see that—between the G8 summit and what happens at Montreal and, indeed, beyond—the US, together with China and India, has been brought into a process that stands the chance of creating a new agreement within the framework convention. In principle, that seems an achievable goal.

I am not so close to the negotiations as the Minister—still less, obviously, than the Prime Minister and the Secretary of State—but I have the sense that if the ambition is made sufficiently restricted, it will be achievable to gain progress, and be seen to gain it, which would mean that the boulder was pushed up the hill, even if only by an inch or two, rather than rolling back down.

Mr. Morley: I have listened carefully to the right hon. Gentleman's speech. He is making a good case in a typically thoughtful way. He is right in some aspects of what he is saying, but he is not right to say that timetables should be agreed during a process such as that of the G8. A process could well be agreed—that is not unreasonable—but it would be arrogant for the eight richest countries to start to agree timetables on a global issue without involving the rest of the world community. The place for the engagement of the world community is within the UN process. That is where that must take place and the G8 cannot short-circuit that. I would also say that the Prime Minister is right to be bold—

Mr. Deputy Speaker (Sir Michael Lord): Order. That is supposed to be an intervention. Perhaps those points might be made in the winding-up speeches or some other time. I call Oliver Heald [HON. MEMBERS: "Letwin."] I think that that is the second time that I have done that, so I do apologise.

Mr. Letwin: Some of us are not blessed with surnames that have a relationship to the peerage so, Mr. Deputy Speaker, I forgive you entirely.

I am perfectly willing to accept what the Minister says. If he is telling us that it is conceivable to negotiate a process and to have a communiqué that establishes a process to which the US and, because they are offline participants, China, India and Brazil are signatories, but that it is not possible to have a timetable without offending much of the rest of the word, that is fine. Let us have a process, and not a timetable. What is important is that we make the shift between not achieving a substantive goal that cannot be achieved at the G8 to achieving a process goal that, in principle, can be achieved at the G8. That is extraordinarily important.

There is a matter of perception that will become a matter of reality. If the G8 is seen to produce a process and that process is then followed, it will be seen that the US has moved into the mainstream. If the G8 is seen not to produce anything, because it has not produced any serious substance other than a few beans for investment, it will be seen as a reverse. As the Liberal spokesman pointed out, that, if anything, will give comfort to the opponents of taking the issue seriously within the US Administration and discomfort to people such as the governor of California, who has done so much good work.

Mr. Hurd: I would like to bring my right hon. Friend back to the important point that he made about accountability. At the time, he seemed to restrict his comments to the UK's performance but, in the context of what he has just said about the international process, does he agree that part of the failing of Kyoto was the lack of international accountability for hitting the targets? Would he support a greater role for an organisation such as the United Nations Commission on Sustainable Development in monitoring and publishing national CO_2 reduction targets?

Mr. Letwin: There will inevitably have to be a role not just for more conspicuous national mechanics to constrain democratic Governments into behaving in the long-term interest of their nations but more conspicuous international mechanics for constraining those Governments who do not have sufficient domestic mechanics to achieve that goal. Whether it is the commission that my hon. Friend refers to or another is a matter that must be negotiated and considered, but I am clear that there needs to be a multilateral framework and a unilateral framework within each country. That means that, together, progress is regularly and sustainably made.

In effect, we are talking about a curve and it is not the curve itself but the area under it that matters. People sometimes talk as though CO_2 emissions were a matter of how much is being emitted 50 years from now, but it is not. It is a matter of how much is emitted between now and 50 years from now, and it is important that the area under the curve is right over that period. That will certainly not be achieved unless there is international monitoring of some kind and a seriously enforceable series of mechanisms.

I wish to make a final point. There is no doubt that there are sceptics about climate change. The Liberal spokesman referred to the fact that the governor of California recently said that the debate is over. Many people regard it as a test of sanity, mainstream political allegiance or whatever that people sign up to the science.

[Mr. Letwin]

The Minister referred to the fact that the Prime Minister and Secretary of State have been keen to promote more agreement on the science, and I have no objection to that. But I think there is a severe danger that most of us—I include myself—who have no scientific expertise will try to persuade ourselves that what really matters is whether we buy into the science. It does not matter two hoots whether I buy into the science. I know nothing about the matter, so my adherence to it is of no more interest than whether my 12-year-old son believes that two and two equal four. They do equal four and if he does not know that fact his education is in trouble, but it tells us nothing about the truth or otherwise of the matter, and my adherence or otherwise to the science is equally irrelevant to the truth of that science.

Moreover, there are plenty of examples in history of establishment views about science proving in the long run to be wholly fallacious. There are cases in which 99 per cent. of all the then scientists took a view and turned out to be wrong. I do not base my absolute belief that we must take the problem seriously, to the extent of actually doing something about it, on an adherence to a view of the science, but on a kind of Pascalian wager. It seems clear to me that if the great bulk of the scientific community who believe that a terrible problem is about to inflict us turn out to be wrong and— notwithstanding the costs that I was debating with the hon. Member for Bishop Auckland (Helen Goodman)—we have invested in a number of harmless and, in many cases, for other reasons, positively useful devices, we shall have wasted a little of our national income. To take her point, even then not all of it would be a waste in economic terms. We could probably organise things so that, in the meanwhile, the place is a little nicer to live in as a result. I do not think that anybody in the world would suffer dramatically from that. If, on the contrary, we do not take the problem seriously—even if we go around saying that we believe in it—and we do not actually do anything about it, and what the great bulk of scientists is telling us is about to occur begins to occur, the costs in social and economic disruption will be immense. That is a risk not worth taking.

We no longer need to debate the science, not because scientific debate among scientists is ever over and not because we who are not scientists know the truth, but because we would have to be lunatic not to try to do that which has a relatively slight cost if done early and face the possible consequence of a disaster that would have an enormous cost later. I hope that in my party, and more generally across the nation, we quit that debate and get on with the business, in which we have been engaging—usually constructively—this evening, of trying to work out how we make things happen across the globe and in this country. In that endeavour, I hope we can join.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The time for debate is short and at least five Members are seeking to catch my eye, so if contributions can be reasonably short I hope that we can get everybody in.

5.42 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I shall take note of your guidance, Mr. Deputy Speaker, although many issues have been raised in the debate and I want to comment on some of them.

The right hon. Member for West Dorset (Mr. Letwin), at the beginning of his thoughtful speech, called on Members not to engage in crypto-partisan comments. I am not quite sure what those are, but I have observed that when people ask other Members not to engage in partisan debate it tends to mean that their own arguments are rather weak and that they do not want too much focus on them.

I shall take the right hon. Gentleman's advice in the spirit in which it was given, although I intend to begin with a few comments that may be seen as partisan, because it is important to examine some of the Liberal Democrat policies and their record on this matter; it is after all a Liberal Democrat day. In tackling climate change, it is important that the rhetoric of politicians is matched by their actions and I have to say that, on too many occasions, Liberal Democrat rhetoric is not matched by action. That needs to be emphasised. The headline policies are good, but the specifics on how they are to be implemented are not so good. Indeed, there are occasions when it would appear that Liberal Democrats would happily run a mile if any of their environmental policies might run the slightest risk of scaring voters.

Earlier, there was a short exchange of views about national road user charging and the hon. Member for Lewes (Norman Baker) confirmed that his party supports such a scheme. Earlier today, I noticed that my constituency neighbour, the hon. Member for Edinburgh, West (John Barrett), bravely confirmed that in the Scottish Liberal Democrats manifesto for the recent election it was Liberal Democrat policy to

"scrap petrol duties and car tax altogether replacing them with a national system of road user charging based on location, congestion and pollution."

I commend him on his bravery in saying that, especially because he represents Edinburgh, which is an urban area with plenty of congestion, so the policy would probably cost those of his constituents who drive into the centre of Edinburgh perhaps £100 a week in road user charges.

I mention road user charging because the Liberal Democrats support a national road user charging scheme, but when we had a debate and referendum in Edinburgh earlier this year on the introduction of a congestion charging scheme in the city, which was recommended by an independent report and supported by most independent transport exports, the campaign against the scheme was led by the Liberal Democrats in Edinburgh. Of course, they were not against congestion charging per se—they were in favour of it in principle—but they said that that particular scheme was not quite right and had not come forward at the right time. The Liberal Democrats had the perfect opportunity to promote their green credentials, but when it came to actual nitty-gritty politics, their policy had the opposite effect on the environment to the headline policies that they proclaim in debates such as this.

John Barrett (Edinburgh, West) (LD): Perhaps the hon. Gentleman will tell us the details of what happened in Edinburgh. The Labour authority's incompetent

proposal on road user charging went out to a referendum in which it was wholeheartedly rejected by the citizens of Edinburgh. Will he tell us where he stands on road user charging? He is criticising the Liberal Democrats for their brave stand, so does he oppose the policy?

Mark Lazarowicz: The hon. Gentleman described the scheme as incompetent, but as I said, it was endorsed by an independent report following a comprehensive inquiry, so clearly many people did not think that. Yes, the scheme was rejected by the electorate in Edinburgh, but I was making the point that the Liberal Democrats were at the forefront of the campaign against it. This is an example of how politicians must talk the talk and walk the walk. They must deliver on both what they do locally and their national headline policies if they want to build a consensus on such an important issue.

I intervened on the hon. Member for Lewes to make the point that a national road user charging scheme would undoubtedly require a system to monitor the time at which drivers made their journeys and every journey made. A national system of information collection would be required so that people could be sent bills that reflected the number of miles that they had driven. I then contrasted that with the views of the Liberal Democrats on what would be a much less intrusive national identity register. I make that point because if we ever get to a stage at which we legislate for a national road user charging scheme, I suspect that the Liberal Democrats will be the first to find reasons to oppose it, just as they found reasons to oppose the congestion charging scheme in Edinburgh.

That is precisely what I think would happen in practice, so I have a lot of reservations about going down the road of thinking that national road user charging would be a panacea. If we were to follow that policy in the immediate five or 10 years, there would be a risk that measures that could otherwise be introduced to try to tackle the growth in vehicle traffic would not be implemented because we would be putting all our eggs in the basket of national road user charging. We have not been able to get consensus on policies such as motorway tolling and urban congesting charges, so I wonder whether we would get consensus on national road user charging. I have reservations about the policy; not perhaps because of the scheme itself, but because I wonder whether we would ever obtain the political consensus to make it possible.

John Barrett: We are listening to a non-stop attack on the Liberal Democrats. Has that been triggered by the massive fall in the hon. Gentleman's majority and the fact that he now has a very marginal seat?

Mark Lazarowicz: My comments are not motivated in that way. The hon. Gentleman knows full well that I have taken this line of argument on many occasions in the past few months. I am sorry if he feels that I am engaged in a non-stop attack on the Liberal Democrats, because there is more to come before I move on to the wider political agenda.

I have some sympathy with the hon. Member for Lewes, whose record demonstrates some principle in these matters. Like me, he recognises that we cannot simply wait until national road user charging is introduced, as though it will be the panacea for all our transport problems and the environmental problems caused by excessive transport growth. In fact, the hon. Gentleman is in favour of motorway tolling—a controversial policy in many quarters.

As well as examining the Liberal Democrat manifesto earlier today, I took a quick look at an interesting website—the hon. Gentleman's. The section entitled "Norman's Views" is interesting—and pretty long; he has lots of views on many subjects. On transport, he says:

"on our roads we need to do what we can to persuade people out of their cars and onto public transport, without penalising those who have no alternative. That could for example mean road tolls on some of our motorways where a rail or air alternative exists. Someone driving from London to Edinburgh has a choice to use public transport."

I take it that he is suggesting introducing a toll on the roads from London to Edinburgh. It could not be a motorway toll, because we do not have motorways going all the way from London to Edinburgh; obviously he is not aware of that fact. None the less, it is an interesting policy. I am not sure that it is supported by the Liberal Democrat Transport Minister in the Scottish Executive, or even by his hon. Friend the Member for Edinburgh, West. I do not know whether motorway tolling between London and Edinburgh is Liberal Democrat policy, but I pay tribute to the hon. Member for Lewes for his bravery in suggesting it. He is, however, not so brave as to suggest road tolls in his own constituency—in fact, on his website he says that road tolling would not be possible there. Perhaps that speaks for itself.

In an intervention, I raised the proposal emanating from the French and German Governments, and now being taken forward in the G8, for a tax on air travel. I should have thought that the Liberal Democrats would support that proposal. In view of the criticism that they have levelled at the Bush Administration—much of which I support—surely we must seek other ways of advancing the international agenda. I expected to hear positive support for—or at least interest in—the German and French proposal from the hon. Gentleman, but as hon. Members who were present for his speech will have noticed, he quickly skipped over my invitation to discuss emissions trading and did not endorse the proposal for an aviation tax.

Norman Baker: Let me correct the hon. Gentleman. I am sympathetic to the aims of the French and the Germans. He is concerned that road user charging might mean that nothing else is done in the years leading up to such a scheme being introduced—which is not our policy, by the way. Equally, if we put all our eggs in the aviation kerosene tax basket, regardless of whether that is the right environmental policy, nothing will happen in aviation until that is achieved—and it is highly unlikely that we will get international agreement on aviation fuel tax. We have to find measures that, in the short-term at least, will be more effective.

Mark Lazarowicz: I am glad to hear that the hon. Gentleman regards the airline tax proposal with some sympathy, but that sympathy does not appear to be shared by some of his Scottish colleagues. A headline in *The Scotsman* a couple of weeks ago read "Scots MPs hit

[Mark Lazarowicz]

out at airline tax for Africa aid plan", and his hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) appears to be leading the charge against the proposal, which would both tackle climate change and raise money for Africa.

Interesting though it is to go through their websites, I do not intend to spend all of the limited time available to me attacking the Liberal Democrats. I shall not refer in detail to the website of the hon. Member for South-East Cornwall (Mr. Breed), which mentioned the £700 million investment programme in new roads in the south-west by the Department for Transport. I thought that he would oppose such a programme, but he appears to congratulate the Government on that major new road programme. The Liberal Democrats may have one headline policy, but there are different policies on the ground.

I am making those points to emphasise that everyone, if we are to tackle climate change, must recognise that the environment is not just a headline policy. We must be prepared to follow through and accept the consequences of policy choices. I accept some of the arguments for differential changing on air routes to the Scottish islands. There is a case on certain occasions for new roads. I am not against all road development, but as politicians we must be more consistent in our approach to those issues if we wish to try to change public opinion and achieve the consensus for which the hon. Member for Lewes and the right hon. Member for West Dorset called. If the Liberal Democrats genuinely want to achieve consensus with the Government they must do more to achieve the conditions in which it will be possible to develop it.

Having done all that party political stuff, I was going to adopt a less partisan approach but, in view of the time, I shall have to skip that part of my speech. Hon. Members will be relieved to hear that, but unless they would like to hear it, I shall simply make one point. The environment is an unsung success of European policy. Undoubtedly, the European project is under attack from various quarters, but we should not forget that a combined European approach on environmental issues has enabled the 25 countries to reach an agreement on targets for CO_2 emissions. That would have been unthinkable without the European Union as it has developed in recent decades. Everyone in the Chamber broadly supports the same policy direction on climate change, and most of us support a more effective Europe, so that agreement is one of Europe's most encouraging achievements in the past few years. It emphasises the fact that there are alternatives to following in the wake of whatever decision is made by the US Administration. The Government have a good international record on providing leadership on climate change, which is recognised in Europe and beyond.

My hon. Friend the Member for Morley and Rothwell (Colin Challen) said that individuals need to make choices about what they can do to try to tackle climate change. The Government must show leadership, but as politicians we must show leadership both locally and nationally. My earlier excursion on the failings of the Liberal Democrats was a little longer than I intended, but I wanted to make the point that we must be consistent in what we say and do locally and nationally if we are to bring about consensus.

Finally, I remind hon. Members that they will have an excellent opportunity to display consensus on practical measures to tackle climate change, monitor this country's performance in controlling greenhouse gas emissions and advance practical measures to promote renewable energy, microgeneration and renewable heat when the private Members' Bills promoted by my hon. Friend the Member for Southampton, Test (Dr. Whitehead) and myself receive a Second Reading on 11 November. I hope that across the House there is support for my Climate Change and Sustainable Energy Bill and my hon. Friend's Management of Energy in Buildings Bill. Notwithstanding my criticism of the Liberal Democrats, I hope we will have their support. I hope that we will have support from the Conservatives and from the Government for those measures, which will give us an opportunity to take forward in a constructive way the agenda upon which, at heart, all Members who have spoken in the debate today agree.

6 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): I am grateful for the chance to make a brief and, I hope, constructive contribution to the debate. I congratulate the hon. Member for Lewes (Norman Baker) on securing it.

On the issue of climate change, we are discussing arguably the most demanding test of political leadership that the world faces. As my right hon. Friend the Member for West Dorset (Mr. Letwin) mentioned, the science has moved on to the point where every science agency that matters is telling its Government that action is required. It is time to move the debate on.

The imperative is to understand better the likely impacts of climate change and to focus on the response. Do we try and control it, or do we focus on adapting to it? The political difficulties are immense. There remains huge uncertainty about the impact of climate change and the acceptable limits of greenhouse gas concentrations. The need to take out an insurance policy is clear. All insurance policies carry a cost. For that cost to be acceptable, there needs to be acceptance of the risk, not just by the scientists and the politicians who "get it", but by the public out there who tend still to see the problem as being "out there". They may be increasingly aware that the climate is less stable, but they are less clear about the link with the choices that they make in their day-to-day lives.

To be effective, any insurance policy on climate change needs to be global, requiring a degree of international co-operation that has never been achieved. Given these difficulties, it is perhaps not surprising that there is a vacuum of leadership on this key global challenge, a sense of drift reinforced by a lack of accountability. The superpower is clearly not engaged, at least at the federal level and at least until 2008. I shall argue today that there is an extraordinary opportunity for the European Union to fill that void, to leverage the power of the single market, to play a constructive and possibly decisive role in building the coalition of the willing that the hon. Member for Lewes mentioned, and to find a path beyond the first, very small step that was Kyoto.

It must be for Britain to goad the EU into that role. We are uniquely placed to do so given our relationship with the United States, given that we are one of the few countries likely to meet the Kyoto targets, courtesy of the dash for gas led by a Conservative Government, and because we should see it as the right response to the current crisis in the EU. At the heart of the crisis is the need to redefine the relevance of the EU and to prove its value to a new generation. I would argue that that means giving priority to two things: first, re-establishing the EU's credentials as a force for prosperity, and secondly, proving that the EU can take an effective lead on some of the issues that we cannot tackle on our own. Climate change should be at the top of that list as an issue of growing salience to the people of Europe.

What the world lacks, as my right hon. Friend the Member for West Dorset eloquently pointed out, is a framework that takes us beyond 2012. The EU can take a lead in shaping and selling that framework. There is considerable merit in the contract-and-converge principle, but there are difficulties with it and it requires serious consideration. What is clear is that any agreement needs to be acceptable to the United States and the emerging giants.

To be successful, we need to win the argument that lower CO_2 emissions need not come at the expense of growth if we act now. In policy terms, that means focusing intensely on more efficient use of energy and the development of technology that cleans up the supply side. It means bringing the world of business and its customers with us, which in turn means talking less about cost and more about opportunity. We must build into any framework much greater accountability and transparency at individual country level and at the international level.

In building that coalition, there is a great deal that the EU could do to set a lead. I shall give three brief examples. The first is emissions trading. As a Conservative, I believe that emissions trading should be at the heart of a global market-led solution to the problem. The EU emissions trading scheme should be seen as an opportunity to develop a model for a global scheme. It needs to be robust and it needs to be seen to be robust. Critically, it should include aviation. The Minister sounded optimistic about that, but early signs are not encouraging on either front. Real political will needs to be applied to make an emissions trading scheme work and be seen to work.

The second example is the Prime Minister's favourite topic, the common agricultural policy. If the taxpayer is to subsidise farming, let us ensure that we get more bang for our buck. The link has been made with protecting the environment. Why not use the subsidies to incentivise the production of crops for biofuels, which have the capacity to transform the environmental impact of road traffic?

The third matter on which the EU could take a lead is developing technology, for example, clean coal. I congratulate the Government on their recent carbon capture and storage initiative, but we must acknowledge that its impact on the global problem will be marginal. Let us consider the huge coal reserves in the United States and China and face the fact that coal is here to stay. The challenge is to develop clean coal. Rather than mucking around with small, unilateral initiatives, it is time for the EU to take a bold step and gather international support for a large-scale demonstration project of a clean-coal power plant in India or China.

The Prime Minister rightly identified climate change as a priority. He is in a position to show the same leadership as Mrs. Thatcher when she put the issue on the political agenda. Britain can be a role model in showing the world that emissions can be cut at little or no cost to economic growth. However, before anyone listens to us we must set our house in order.

The Government have rightly set ambitious targets, but carbon emissions have risen on the Prime Minister's watch and that stark fact undermines our credibility and makes it unlikely that we shall hit future targets. We need a coherent policy framework, which is supported by a process that is more robust in making the Government accountable. Politicians arguably talk too much about processes, but we need a credible road map to reach the long-term targets. It is sensible to break down the targets into shorter-term milestones, backed with a more transparent plan for achieving them.

I should like humbly to recommend three priorities for domestic policy. First, energy efficiency appears the least controversial aspect on which to focus. Who could argue with the proposition of saving money and the planet at the same time? There is huge scope for improving the energy efficiency of our relatively old and inefficient housing stock, out of which seeps approximately 25 per cent. of our emissions. The Government can play a crucial role in breaking through consumer apathy, which is genuine, by a combination of education and compelling incentives to invest in making our homes and offices more energy efficient. Ideally, those incentives should extend to landlords in the private rented sector and small businesses, for which the climate change levy appears to be an ineffective stick.

Many people were disappointed by the Treasury's failure in the previous Parliament to devise new economic instruments to promote energy efficiency. Conservative Members tried to be creative by proposing a reform and extension of the energy efficiency commitment. It is imperative that we find common ground in this Parliament on the way forward on that crucial policy.

My second priority would be to send stronger signals to businesses, whose attitudes are critical. They need to understand that the environmental agenda can bring opportunities as well as costs. For example, let us consider the motor car. I am convinced that new technology provides the solution to road transport emissions. Rather than trying to force people off the road, the right long-term approach for the Government is to go with the grain of public preference and encourage British motorists to make greener choices by making the least polluting cars cheaper to own through the tax and grant system and establishing a coherent long-term framework of fuel differentials to support the greenest fuels.

The current market share for the greenest cars and the greenest fuel remains below 0.5 per cent. and that must be too low. It is imperative that we accelerate technology and incentivise the key manufacturers to recognise a global market opportunity, not least when China is on track to be the largest car market in the world in a generation. Britain has a role to play in that process and we are not meeting that challenge.

[Mr. Nick Hurd]

The third priority must be to educate consumers and bring them with us. Their day-to-day decisions will make the difference. In that context, I congratulate *The Independent*, which has been especially effective, not least in its recent exposé of the way in which our standby culture contributes to emissions.

The link between aviation and climate change presents another opportunity to educate. In 2002, a Department for Transport survey showed that only one in eight people make a connection between flying and climate change. That must cause concern, given the growth in aviation emissions. The motor industry showed a positive example by giving consumers more information on emissions from the cars that they buy. Is not it time to put pressure on the aviation industry to follow that example, perhaps by putting information about emissions per journey on all relevant travel documentation? I stress the importance of consumer education because if we are forced in future down the route of a more aggressive tax regime, which the Liberal Democrats favour, to affect behaviour, it can be sustained only if hearts and minds are won first.

It is time for Britain to put its house in order and the issue that we are considering should cross party lines. It is time for Britain to lead the EU in seizing an historic leadership opportunity. If it takes the opportunity, the EU will take a critical step in redefining its relevance to the people that it serves.

6.10 pm

Mr. David Chaytor (Bury, North) (Lab): I have listened intently to this afternoon's debate. The forum in which it is taking place—the parliamentary Chamber of the House of Commons—is usually completely unsuited to the topic that we are discussing, yet it has been striking that speaker after speaker—with the possible exception of my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz)—has stressed the importance of consensus and the building of coalitions. I do not criticise my hon. Friend for taking the opportunity to expose some of the political inconsistencies in one part of the Opposition, however.

In my view, climate change is of such overwhelming significance—in the opinion of the chief scientific adviser, it represents the most significant threat that we face and a far greater threat than terrorism—that the conventional forms of debate and parliamentary procedures to which we are all accustomed are increasingly irrelevant if we are to rise to the challenge of formulating policy on the matter. It is striking, too, that I should follow a Conservative speaker, the hon. Member for Ruislip-Northwood (Mr. Hurd), who could have delivered his speech from the Labour Benches. With the exception of the three words "as a Conservative", everything that he said could have been delivered by one of my colleagues or, conceivably, by anyone on the Liberal Democrat Benches.

I want to dwell a little on how we can do more to build such consensus. I entered the House in 1997, when climate change was still a marginal issue that was poorly understood, if it was understood at all, by most Members. If we continue along the path that we have taken since 1997, with each party remaining nervous of the risks of setting out the radical options that are needed, we shall never make progress; we shall continue the drive towards the precipice. We must construct a new way of operating, and build new alliances between the parties.

I was very taken by the remarks of the right hon. Member for West Dorset (Mr. Letwin) about the need for an external framework within which to operate, and which had public support. His analogy of the sub-contracting of responsibility for interest rates to the Bank of England was an interesting one. I do not know whether we could get an independent body to establish a national carbon budget or achieve all-party agreement on such a budget or some other framework, but the right hon. Gentleman made exactly the right analogy and pointed us in the right direction.

There are already good examples of cross-party agreement and working on this issue. Only this morning, several of us here attended the inaugural meeting of the all-party group on climate change, whose chairman is my hon. Friend the Member for Morley and Rothwell (Colin Challen). We launched the 25-5 challenge, in which Members are urged personally to commit to an annual 5 per cent. reduction in their own CO_2 emissions. I think that that is imaginative, that it will take off and that it will gain an increasing measure of public support.

In addition, the all-party globe group, of which I am the secretary and the hon. Member for Gordon (Malcolm Bruce) is the chairman, will hold an important conference here this weekend that will bring in parliamentarians from all across the globe, including China, India, Russia and south America, and which will be addressed by my right hon. Friend the Secretary of State. The guest of honour on Sunday evening will be Senator John McCain, a potential presidential candidate. These coalitions and alliances are forming and a huge amount of work is being done to reach consensus.

If, however, we are to continue to build consensus, we have to redefine the nature of the problem. To date, it has been defined as a conventional domestic political issue of redistribution. The whole argument is about who will gain and who will lose, and what are the consequences of any change of policy or redistribution. Hence, when the issue of the role of fuel duty arises, the problem is defined as one of hitting the long-suffering motorist; when the question of the climate change levy arises, the problem is defined as yet another burden on business. We must move away from that.

To support my argument, I want to introduce the other issue of fossil fuels apart from the science of climate change. The right hon. Member for West Dorset made the point that it did not really matter whether the science was 100 per cent. accurate, as it made sense in its own right to start to make the move to renewable energy sources and a renewable energy system—whether the transfer is from a carbon economy to a hydrogen economy remains to be seen. However, there is another problem that is hardly discussed at all—the whole question of the finite nature of fossil fuels. The purpose of making the shift away from fossil fuels is not merely because of the threat of climate change, although that is the primary reason at the moment, but because we all know that fossil fuels are finite and will one day be exhausted.

It is remarkably interesting to see in the press in the last two, three or four weeks the increasing number of articles not only about the rising price of oil, but about the onset of peak oil—the concept of the peak of global oil production, after which oil production will inevitably decrease. Many Members will be familiar with the work of various scientists on peak oil. There is now an Association for the Study of Peak Oil, and that Colin Campbell is the leading exponent of the theory. The argument put forward by that association is that the peak will be reached in 2010—far earlier than was previously thought. That does not mean that oil will be exhausted by 2010, but it does mean that from 2010 onwards oil will inevitably be in shorter supply, and as current consumption increases new discoveries of oil will decline and the price of oil will continuously increase.

Both on the ground of responding to climate change and the ground of increasing scarcity of fossil fuels as each year goes by, we must redefine the nature of the problem as not an issue of sharing the pain within each nation, but as an issue of national security.

It seems to me that perhaps this year the public throughout the United Kingdom will start to understand those problems as they have not done previously. That is partly because of the impact of the recent hot weather, partly because of stories about drought, partly because of the experience of the drought in France two years ago, partly because of the recent assessment given by the Italian Government of the excess mortality through drought in that country, and partly because of my right hon. Friend the Prime Minister's lead in placing the issue at the top of the agenda for the G8 meeting. As a result, the public mood is now far more receptive than ever before to more radical policies to respond to the threats of climate change and the finite nature of fossil fuels.

To do that, however, we cannot argue among ourselves about punishing motorists or putting more burdens on business—we have to identify the problem as one of national security, and we therefore need a framework that will work in the national interest and help to move us towards self-sufficiency in energy.

Norman Lamb (North Norfolk) (LD): I agree with much of what the hon. Gentleman is saying, and especially with what he is saying about the need for consensus. He mentioned the need for fuel security. Given the shift in the public mood, is this not the time for the Government to make a decisive move on the biofuels obligation?

Mr. Chaytor: I can only agree. Later I will specify aspects of domestic policy about which more could be done. It has been argued that biofuels are not the whole solution and that the acreage of land required to generate the amount currently consumed by our transport fleet would be enormous and unsustainable, but biofuels make an important contribution. It is regrettable that in my part of the country, the north-west of England, there does not seem to be a single filling station that sells biodiesel. I have raised that with the Minister more than once.

I have said that we need to develop a new way of working in Parliament. That can succeed only if there is consensus. We also need to redefine the problem as an external threat and we need to respond to what the public are saying. I think that in many areas of environmental policy the public have moved ahead of the Government. There is an analogy with waste issues. There is now a general understanding of the waste crisis: ordinary citizens recognise that it is impossible to go on putting more and more waste into the ground and they seek a lead from the Government on recycling. We are moving in the right direction in that regard. I believe that the public are ready to accept a lead on climate change and fossil fuel production as well, and we must respond to that readiness. The difficulty arises with the question of costs and benefits. We must redefine the problem. If we define it as something that will simply impose more costs on individual households, businesses and motorists, we cannot win the argument.

That brings me to areas of policy in which the Government have made great progress, but could do more. Arguably, the most controversial area of domestic policy related to climate change in which progress is needed is transport, and aviation is central to that. The aviation lobby is mounting a huge campaign to resist duty on aviation fuel. It supports emissions trading, but emissions trading is not the solution. The Government have committed themselves to including aviation in the EU emissions trading scheme that will begin by 2008. I do not think that any Minister believes that aviation will be part of the scheme by then. I suspect that it will not happen until many years later.

According to the Environmental Audit Committee report published earlier this year, or perhaps late last year, if we do nothing aviation will contribute 60 per cent. of our carbon dioxide emissions by 2030. The situation cannot continue and the public know that. While benefiting from and enjoying the amazing increase in the number of cheap, sometimes free, airline tickets, the public understand that the situation is unsustainable. From experience, I would say that they are prepared for the Government to take a stronger fiscal line.

Biofuels were mentioned earlier in connection with transport. In the Budget, the Government took important steps on the taxation of alternative fuels. They reduced duty on liquefied petroleum gas and also on biofuels, which brings it down to the level of duty on conventional diesel. Again, however, there is much more to be done. The Government have tried to introduce a banded system for vehicle exercise duty. I am not sure how many bands there are now, but the system is designed to encourage people to use more fuel-efficient vehicles.

The reality is that the existing fiscal incentives to trade down to a more fuel-efficient vehicle are derisory. For anyone currently running a larger-engined, more inefficient vehicle, a saving of £80 to £90 a year in vehicle excise duty is an insufficient incentive to encourage them to trade down. The public understand the principle behind that idea; they are waiting to be given a lead in terms of greater fiscal incentives to trade down. Exactly the same analogy applies to domestic energy efficiency. Grant schemes exist that provide incentives for making greater use of insulation, but those incentives do not yet send sufficiently strong signals to encourage people to make the change.

[Mr. Chaytor]

There is more that I would like to say, but I hope that my contribution has built on the lead given by my hon. Friend the Minister and that it has been reasonably consensual. I should stress that if we continue with the conventional parliamentary modus operandi, we will not rise to the challenge of climate change.

6.26 pm

John Barrett (Edinburgh, West) (LD): I want to join the consensus that was building—with one notable exception—in the Chamber. The exception in question has clearly spent many hours surfing Liberal Democrat websites, and long may he continue to do so.

The G8 summit in Gleneagles will focus on two themes: climate change and Africa. This time, the public are more involved than ever before, partly because of the celebrities involved, but also because of what happened 20 years ago, when we saw—for many people it was the first time—the drought in Ethiopia on our television screens. When Michael Buerk brought those images into our homes, we saw the harsh reality of life on the edge: men, women and children suffering from malnutrition, with those who managed to survive the journey trekking miles to camps for a meagre food supply. These events triggered Live Aid, which connected many people, through television and music, to this vital issue. Twenty years on, we have to ask, what has changed?

To coincide with the G8 we have the Live8 concert in Edinburgh, which is taking place at the Murrayfield stadium in my constituency. The Make Poverty History march will also take place in Edinburgh, on 2 July. We are expecting in excess of 100,000 people to march through the city centre, and to make a "white band" of people to send a message to the leaders at Gleneagles. I invite others to join that march.

When we saw those images in Ethiopia 20 years ago, a drought was expected once every 10 years; now, a drought is expected approximately once every three years. Fewer Ethiopians are dying from malnutrition, but more are on permanent food aid. We now see humanitarian disasters unfolding elsewhere in Africa. Many factors are contributing to the disaster in Darfur, in Sudan: tribal conflict, Government corruption, too many guns in the country and no clean water supply. But one vital factor that is directly linked to the troubles is the increasing size of the deserts and the battle for scarce resources such as water and fertile land. We in this country think that we are witnessing extreme changes in our weather, but those who will suffer most are the most vulnerable, who live in the world's poorest countries. Many young children in such countries will never see adulthood.

At the other extreme end of the scale, approximately 100 million people in the United States are overweight. Interestingly, Paul Higgins, an earth systems scientist from the university of California, reckoned that if the food energy used to feed excessively those 100 million Americans were turned into an exercise regime, and if the basic resources spent on producing that food were spent differently, that in itself would impact on the climate.

I have tried to make some small contribution myself. My hon. Friend the Member for Lewes (Norman Baker) will be pleased to hear that I gave up my four-wheel drive car and went instead for a fuel-efficient model. We cannot just pass the buck and blame this problem on the Government; we all have to accept responsibility for the results of our actions. However, the Government are in a unique position because of their presidency of the G8.

Global warming is not an abstract or distant threat. It is real and current, and must be dealt with as a matter of urgency. The G8 nations at Gleneagles account for 47 per cent. of global CO_2 emissions, so it goes without saying that the G8 nations themselves, acting globally, can make a real difference. Tougher international action is crucial to combat climate change and it is time to wake up to the threat before it is too late.

Climate variation is now an accepted part of the natural cycle of our planet. We know that, historically, temperatures have been both higher and lower than they are now. However, what makes the current pattern of climate change so worrying is the pace of change. Projections predict an increase in the average surface temperature of between 1.5° and 6° over the period from 1990 to 2100. That is between two and 10 times larger than the value of observed warming over the 20th century and it is without precedent during the last 10,000 years. Global warming will affect us at home and abroad and it will have social and environmental impacts. Indeed, it will impact on almost every aspect of our lives. It is not surprising that our own chief scientific adviser said that the threat from climate change was greater than that from global terror.

The Kyoto agreement was a good and positive first step towards tackling the issue, but even if the US signed up to it tomorrow, it would not solve many of the problems. We have to remember that the agreement is very much a first step—and a modest one at that. For example, it does not include many developing countries and the largest polluter of all has not signed up to it. Furthermore, many scientists believe that even if the countries producing CO_2 emissions signed up and kept to the limits, it would still not be enough to tackle the problem. The agreement aims to reduce emissions from industrialised countries only by about 5 per cent., whereas the consensus of many climate scientists is that in order to avoid the worst consequences of global warming emissions may have to be cut up to the order of 60 per cent. across the board. That is why we should not put all our eggs in the Kyoto basket.

With that in mind, it is disappointing that so many countries have still failed to meet even those most modest targets. Indeed, it seems increasingly likely that the UK will miss its own Kyoto targets. It does not give the Prime Minister the strongest platform from which to argue for greater efforts from others to combat climate change when we seem unable to put our own house in order. I very much hope, though, that our own failings will not have an adverse effect on the Prime Minister's chances of brokering an agreement on climate change at the summit.

I am sure that Members from across the House will have shared my disappointment and concern at the news that documents on climate change for the G8 have been watered down. It seems that the US is still failing to concede that climate change exists as a problem at all. I find it extraordinary that doubt is being cast on the notion that the world is getting hotter.

My hon. Friend the Member for Lewes has branded George W. Bush the environment's "public enemy No. 1", and I am inclined to agree with him. It is unacceptable that the US—the world's largest polluter, responsible for more than a third of the world's pollution—refuses to take its responsibilities seriously. It is unacceptable that the US President, George W. Bush, simply ignores the advice of his own scientists and continues to refuse to take action to deal with pollution or to accept his responsibility under the Kyoto treaty. There is a serious risk that the US President will prevent the summit from agreeing to realistic and timely actions on climate change and that the rest of the G8 will let him get away with it. While the Prime Minister likes to believe that he can sway the President's judgment on these matters, I believe that when it comes to climate change, he may have little or no influence at all.

A leaked draft document on climate change for the G8 summit spells out as good as any other the danger of inaction. It says:

> "If we miss this opportunity and fail to give a clear sense of direction, then we will be locked into an unsustainable future that will threaten our long-term security and prosperity."

I could not agree more. The G8 summit must reach a positive agreement on climate change. It is too important an issue to be lost among international squabbles and petty transatlantic rivalries. I urge the Prime Minister not to let that happen. We must move towards consensus in the House. If the parties in this Parliament cannot agree, how can we expect the leaders at Gleneagles to agree?

6.34 pm

Mr. Jamie Reed (Copeland) (Lab): I will be brief, and I begin by commending the right hon. Member for West Dorset (Mr. Letwin) on his approach to this matter. He illustrates precisely the attitude that we must adopt if we are to make progress on what may be the most important issue of our age.

A fresh approach is indeed called for and, in searching for ways to combat and solve the problem of climate change, we must cast off much of the ancient dogma that tends to characterise the debate. There has been much discussion of the consensus, to which I am committed and which I hope to extend. However—I address this comment to both sides of the House—it is intellectually dishonest to recognise the reality and speed of climate change, and its social and economic consequences, but then fail to recognise the contribution that nuclear power makes to solving the problem.

It may please some hon. Members to segregate the nuclear debate from the climate change debate, but that is both impossible and misleading to the British people. Failure to recognise the benefits of nuclear power in the context of climate change is little more than a prejudiced conceit. Throughout the debate, hon. Members have been urged to put their own houses in order in respect of climate change, but the same is true of their attitudes to the nuclear industry.

If we are serious about the problem, we must embrace every available solution.

6.35 pm

Mr. Edward Vaizey (Wantage) (Con): I am grateful for the opportunity to make a brief contribution to the debate—and it will be brief, especially as the hon. Member for Copeland (Mr. Reed) has spoken about one of my major points.

I wanted to dwell on the Government's record in this area, which has been one of lamentable failure. I apologise to my right hon. Friend the Member for West Dorset (Mr. Letwin) for breaking the consensus, but my generation cares passionately about climate change and we feel that this Government have missed a golden opportunity to make the changes that are so desperately needed in the fight against it. This country is still woefully behind the rest of Europe in our attitude to energy conservation and recycling.

I want to make four brief points. First, I support my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), who said that it is essential, when we debate climate change, to work with the grain of human nature rather than against it. People will always want to use their cars and go on cheap holidays, and we must be aware that great scientific strides will be made as technology develops. Many fuel-efficient, low-emission cars are already available, and they will get better; British Airways has already given up some of its carbon allowance because it uses more fuel-efficient planes; and people are already changing their lifestyles by working at home using the internet. Energy use will change and be reduced through the use of technology. Mention has also been made in the debate of the use of biofuels. Science will find a way.

Every type of major energy source is available in my constituency. Harwell is the site of the first nuclear reactor to be built in Britain, and Didcot is dominated by the large power station that supplies most of the energy for the south-east. Recently, our community was divided by a vigorous debate about the siting of a wind turbine in an area of outstanding natural beauty.

However, I want to speak about nuclear power. I support what the hon. Member for Copeland said. I am fully aware of the risks, such as the difficulties involved in dealing with nuclear waste and in ensuring security.

Mr. Chaytor: Is the hon. Gentleman fully aware of the costs associated with nuclear power?

Mr. Vaizey: The hon. Gentleman must be telepathic, as I was just about to say that the costs of nuclear power—

Mr. Chaytor: What are they?

Mr. Vaizey: The costs are incurred by the construction and running of power stations and by the disposal of nuclear waste. Nevertheless, two of the chandeliers above us in this Chamber are powered by electricity from nuclear power, either our own or bought from France—

Sir Robert Smith: Which ones?

Mr. Vaizey: That one and that one. Nuclear power is a proven technology. Nuclear stations can supply carbon-free energy for the nation in the sort of amounts that cannot be matched by renewables.

Mark Lazarowicz: If the hon. Gentleman will not answer the question of costs, may I supply it instead?

[Mark Lazarowicz]

Building a new-generation nuclear power station costs £30 billion: would not it be better at least to try the possibilities offered by micro-generation, which could provide as much energy at half the cost?

Mr. Vaizey: Nuclear power for the whole country at the cost of 40 domes is cheap at the price.

The vital aspect and the Cinderella of this debate is energy conservation. As my hon. Friend the Member for Ruislip-Northwood pointed out, 25 per cent. of CO_2 emissions comes from our homes. I hope that the Government will seriously consider reforming stamp duty laws to reward energy-efficient homes and reforming building regulations so that new homes are built with energy-efficient methods.

6.40 pm

Andrew George (St. Ives) (LD): It is a pleasure to follow the hon. Member for Wantage (Mr. Vaizey), who rightly emphasised the fact that science and technology have a role to play, although we have not today fully explored the issue of nuclear power. It is too late now for me to run through the issues, but perhaps the House will have an opportunity in the future to debate them.

My hon. Friend the Member for Edinburgh, West (John Barrett) rightly reminded the House that the headline issue for the G8 in Gleneagles next week is addressing the problem of global poverty, especially in the poorest countries. I have some misgivings, however, about the way in which the G8 agenda has been set. The eight richest countries—we might call them the R8—will discuss the problems of the poorest. We should apply the maxim "Never about them without them". In other words, we should not talk about the poorest countries—perhaps we could call them the P8—without inviting them to be present. The R8 should not discuss the P8 without eyeballing them at the same time, to ensure that the R8 fully understand and speak to the countries that will be affected by the decisions that come from the top table.

In the lead-up to the summit—of grey-suited men discussing complex issues—it has been encouraging to see many members of the public drawn into the debate through Live8 and the Make Poverty History campaign. Now that their passions have been aroused, I hope that those people will not feel only a momentary compassion on arguably the most serious issue facing the globe at present—the poverty of those in developing countries—but that their compassion will continue in the weeks and months ahead. As people leave the rallies in Edinburgh and the concerts in London, at the Eden project in Cornwall and elsewhere, I hope that they will carry on the campaign. I hope that they will go to supermarkets and ask, "Where does the food come from? Can you reassure me that my purchase of this product will not damage the very people I have been campaigning about, who are the reason why I am wearing this wristband?" People need to apply the principles of that compassion to their activities. They want information and reassurance, and I hope that such continuing interest will be one of the outcomes of the campaign.

My hon. Friend the Member for Lewes (Norman Baker) was, as ever, forensic and passionate on the issue of climate change and spoke strongly for the motion. As the right hon. Member for West Dorset (Mr. Letwin) explained, the debate as a whole has demonstrated the difficulty of persuading others as well as ourselves of the consequences of our actions. When we bring a hammer down on our finger we can see the connection between the hammer, the finger and pain. We learn from that and we make future judgments on that clear relationship. However, when we turn on the ignition of our car or decide to go on holiday, we do not necessarily see the immediate connection between that choice and some meteorological catastrophe elsewhere in the world or some unwelcome climate change that undermines our efforts to eradicate poverty in developing countries. But, as the right hon. Member for West Dorset argued—I think fairly—we need to apply a precautionary principle to this matter before it is too late. If we are wrong, at least we will have achieved some improvements in the way that we live. On the balance of scientific opinion, however, I feel comfortable with the line that we are taking, and it is clear from the Government's line and the policies of all parties that we are going in the right direction in tackling this issue, about which, to be fair, there is still some uncertainty.

I shall try to skirt over the Minister's selective quotations from manifestos and so on, and his failure to acknowledge the fact that when non-governmental organisations requested political parties to sign up to their four key commitments at the time of the last general election, we signed up to them too. Perhaps he did not surf the websites that the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) did, otherwise he would have uncovered that.

One of the main points that the Minister made in response to my hon. Friend the Member for Lewes was that Britain is leading the world in the action that it is taking on climate change. He asked what other G8 country was on track to meet the Kyoto target. What other European country is on track to meet the Kyoto target? I look for reassurance from the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Exeter (Mr. Bradshaw), who will wind up the debate in a moment, that those words are not a sign that we are going to see the politics of the lowest common denominator. That would be most unwelcome and I hope that the Government will continue to be sincere in their language and ensure that we are attempting at least to set the highest possible standards.

The Minister said that there had been a decline in the number of people who need to be converted to understand the consequences of our lifestyles and their impact on climate change. I think we know where to find those on whom we primarily need to concentrate; they are some rather large and difficult nuts to crack, mostly across the other side of the pond. We might argue that we are—I hope that we are—witnessing the last days of the modern-day equivalent of the Flat Earth Society as far as that is concerned. I urge the Minister and the Prime Minister to do all that they can to ensure that the United States is seen to be isolated in its unwillingness to act in the way that the UK and other countries are prepared to act.

The Minister said that the G8 should not set targets for the rest of the world and I agree that it should not take a patronising approach, although the General

Secretary of the United Nations has written to the G8, encouraging it to ensure that it at least sets an agenda that can be pursued still further.

The right hon. Member for West Dorset attempted to pour oil on troubled waters, to be conciliatory and to offer to adopt the role of peacemaker in the rather more fiery exchanges that we witnessed between my hon. Friend the Member for Lewes and the Minister. He applied his intellect and principles to the issue rather than, if he does not mind my saying so, his expertise. I think that, on balance, he made a significant contribution to our debate. I do not say that simply because he announced that Conservative Members would support the Liberal Democrats in the Division Lobby this evening, although on that basis I shall resist attacking some of the past Conservative policies and what they have achieved.

The right hon. Gentleman made a significant point: we in all three parties, as well as other parties, agree that we must face up to some very difficult economic challenges in persuading our electorates that we must make progress. In fact, we need to sell such messages to our electorates. I hope that we can stick together and help each other to sell these difficult decisions and conclusions. Having gone from the sunlit uplands of conciliatory debate, we went to the depths of partisanship with the hon. Member for Edinburgh, North and Leith. However, it is a pity to end on that point and I look forward to the Under-Secretary of State's response, but I urge the House to support the Liberal Democrat motion this evening.

6.50 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): This has been an excellent debate. I cannot recall a debate on an issue of such importance that has commanded such consensus across the House. We heard good contributions from my hon. Friends the Members for Bury, North (Mr. Chaytor) and for Edinburgh, North and Leith (Mark Lazarowicz)—perhaps his speech was not so consensual as others, but he can claim as an excuse provocation by the Liberal Democrats in Edinburgh about the congestion charge there.

We heard a good contribution from the hon. Member for Edinburgh, West (John Barrett), who should be commended for his action in getting rid of his 4x4 vehicle. He might like to know that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs often refers to me, only half in jest, as a one-man Government carbon-offsetting scheme, because I gave up my car 12 years ago and now rely mainly on my bicycle.

There was a good contribution from my hon. Friend the Member for Copeland (Mr. Reed), who set an example to the House in his brevity. I am sure that the debate will continue and he may wish to make a longer speech in future on the issue that he mentioned. We also heard a good contribution from the hon. Member for Wantage (Mr. Vaizey).

It is invidious to single out a Member for praise in such debates, and I do so at the risk of ruining what otherwise I suspect would be a promising career, but the contribution from the hon. Member for Ruislip-Northwood (Mr. Hurd) was particularly impressive. It was most refreshing to hear a Conservative Member say that the European Union could play a positive leadership role in a major policy issue. *[Interruption.]* I apologise to the hon. Gentleman if that has damaged him, but it was not meant in that spirit.

Let me bring the House back to the focus of the debate: next week's very important summit at Gleneagles. The House recognises that that meeting in itself has stimulated debate and provided a boost to the vital work that is happening at regional, national and international levels. Indeed, the hon. Member for Lewes (Norman Baker) acknowledged that in what he said about the real progress that is being made at state level in the United States, partly as a result of the British Government giving the issue such a high profile.

We always knew that addressing climate change during our G8 presidency would be tough. There are real differences of opinion about the best way to respond to the challenge. That is why the summit is so important and shows how the G8 functions best when taking on the big issues of the day and reaching out to other key nations.

Our aims for the summit are threefold: first, to secure agreement about the importance of the issue and the need to cut greenhouse gas emissions and to take urgent action; secondly, to find practical ways to speed up the development and deployment of new technologies, both in the G8 and in developing countries, using a comprehensive Gleneagles plan of action, covering energy efficiency, power generation, research and development, investment and financing, as well as adaptation to climate change; and thirdly, to reach an agreement to continue dialogue on climate change, clean energy and sustainable development that will complement the existing UN process.

There has been much debate this afternoon about the position of the United States and whether we should try to persuade the US to sign up to the Kyoto protocol. That has never been our aim. We remain committed to the Kyoto protocol, as do the other signatories. The US, at national level, takes a different line—that is a matter of fact—but there are significant areas of common ground. Just because we have different views on the Kyoto protocol, it does not mean that the US cannot work with Europe and the emerging economies on measures to tackle climate change. The G8 summit provides an opportunity to discuss with the US and those emerging economies what we can do to bring together energy, environment and development policies to create the political will necessary to succeed.

On this issue, some of the consensus that built up in the rest of the debate was challenged. Although stressing the importance, as he saw it, of getting the United States on board for an agreement, the hon. Member for Lewes seemed to suggest that he would rather have a better agreement without the US than a weak one with it. However, he acknowledged that we can continue to do the good work that we have been doing on the basis of a coalition of the willing. We will continue to do that.

The right hon. Member for West Dorset (Mr. Letwin) used his vivid analogy of pushing a heavy boulder up a steep slope to suggest that it was important that Gleneagles results in our going an inch up the slope. He appeared to say that he was worried that we were being

[Mr. Ben Bradshaw]

too ambitious. I do not accept that we are being too ambitious and therefore face the risk of failing, which would be seen as a defeat. We have charted a wise and careful course and, by and large in the debate, hon. Members resisted the temptation, based on misleading press reports that appeared a few days ago, to prejudge what is likely to be achieved at Gleneagles.

There was also not the degree of consensus that I would have liked on what the UK Government have achieved in terms of showing the leadership at home that we can deploy internationally. It is important to remind the House that, as my hon. Friend the Minister for Climate Change and the Environment said in his opening remarks, we are the only country apart from Sweden that is on course to meet our Kyoto obligations—and not just to meet them, but to exceed them. We are not on course to meet our own much more ambitious domestic targets for CO_2 emissions, but we are reviewing our climate change programme with the specific aim of getting back on track to meet those targets. As my hon. Friend also pointed out, Labour was the only political party at the last general election to have a specific pledge in our manifesto to that 20 per cent. cut by 2020.

The right hon. Member for West Dorset made an interesting contribution to the debate about environmental gain and economic growth. This is an important debate to develop further even though we do not have the time to do so now. I urge him to look at the speech made by the hon. Member for Ruislip-Northwood, who said that he wished that we would talk more about opportunities and not costs. As my hon. Friend the Member for Bury, North pointed out, this country has achieved cuts in our emissions while having robust economic growth, and we are now beginning to achieve a similar situation on waste. We are cutting waste production while growing our economy. It is no accident that the two countries that have done best on climate change—Sweden and the United Kingdom—have strong records on economic growth. I do not think that environmental gain and economic growth are incompatible; the opposite is true. It is only through sustainable development that we will protect the environment and achieve the sustainable economic growth that we all want.

My hon. Friend the Member for Bury, North made several constructive suggestions about potential fiscal incentives. Many of us on both sides of the House agree that more fiscal incentives have a positive role to play in helping us to get our own and international targets back on track.

Hon. Members understandably concentrated on Gleneagles but, as several pointed out, this issue is not just about the G8. It is also about the EU, and its leaders are already showing leadership and setting objectives based on the need to limit temperature increases to 2° C. We want to lead the international debate. We also recognise that the EU cannot do it alone. The international effort to tackle climate change will not succeed unless we get the US and the emerging economies talking. That is why we want Gleneagles to be the start of a new dialogue complementary to the UN process.

I regret the fact that in spite of the consensual nature of this debate, it looks as though the House is going to divide on the Liberal Democrat motion—

Richard Younger-Ross (Teignbridge) (LD) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 220, Noes 313.

Division No. 24] **[6.59 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, Mr. David
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, Mr. Nick
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Forth, rh Mr. Eric
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Hemming, John
Hendry, Charles
Herbert, Mr. Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Mr. Martin
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel

Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Mr. Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shephard, Mr. Richard
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Sir Robert Smith and Danny Alexander

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Mr. Des
Bryant, Chris
Burden, Richard
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cook, rh Mr. Robin
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Ms Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry

McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Mr. David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Paisley, Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Ms Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Sammy
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Tom Watson and Claire Ward

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the UK's global leadership on climate change and in particular the Prime Minister's decision to make climate change one of the top two priorities for the G8 Presidency and a priority for the EU Presidency; recognises that UK initiatives in 2005 have already made important contributions to the international debate on future climate change policy, in particular the scientific conference on stabilisation in February 2005 and the Energy and Environment Ministerial Roundtable in March 2005; looks forward to the Gleneagles Summit and provides its full support to the Prime Minister's continuing efforts to secure a successful outcome; commends the UK's plans to continue to strive for further international action following Gleneagles through both the G8 and EU; further commends the Labour Party for being the only party to commit in its manifesto to a national goal to reduce emissions by 20 per cent. by 2010; celebrates the UK's achievement in already reducing emissions to 13.4 per cent. between the base year and 2003, beyond that required by the Kyoto Protocol; further welcomes the introduction of policies such as the climate change levy and renewables obligation that have been so important in achieving this; and looks forward to the publication of the climate change programme later this year which will set out further policies to deliver the goal of a 20 per cent. reduction in emissions by 2010.

Liverpool City Council

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

7.14 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab) *rose—[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We have business to get on with. When the Adjournment is announced, will hon. Members please leave the Chamber quietly and perhaps not in their usual numbers?

Mr. Kilfoyle: As you know, Mr. Deputy Speaker, I have long been a strong advocate of the city of Liverpool, and tonight will be no exception. Even though I take issue with the conduct and procedures of Liverpool city council, I wish to place on the record the fact that Liverpool as a city is making tremendous progress in its regeneration, which is due in no small measure to initiatives emanating from this House and the present Government. That is to its credit. I also give credit—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Gentleman, but will all hon. Members who are not taking part in the debate please leave the Chamber now, quickly and quietly? We must listen to the debate.

Mr. Kilfoyle: I pay credit to the many local businesses and organisations that have taken advantage of the opportunities presented by Government initiatives and our status as an objective 1 area to reinvent themselves and turn the city's image and substance around over the past 20 years so that it is now a 21st century city that, to use a cliché, is meeting all the challenges of a modern economy. The House may therefore wish to know why I have taken issue with the city council. I have many reasons for doing so, but I am particularly concerned about the way in which it conducts itself. While it is doing very good work in some areas—no one can take that away from it—it is manifestly failing the people of Liverpool in other areas. I shall give a few examples, focusing on people who most need the city council's help, including the poor, the homeless, council tenants, and voluntary sector organisations that depend on the council's assistance.

There is a litany of mismanagement so that, in local eyes, the city has changed from a city of culture—a role that Liverpool will officially play under the present Administration in 2008—into a city about which the council could not care less. That tendency is particularly marked in the areas that I have the privilege to represent. I wish to put it on the record that two of the most deprived SOAs—super output areas—in the matrix of indices of deprivation produced by the Office of the Deputy Prime Minister are in my constituency. The whole constituency is in the top 1 per cent. of combined deprivation indicators, and it relies extremely heavily on council intervention and Government initiatives to ensure that the people there can share in the opportunities enjoyed by many people in Liverpool and on Merseyside as a whole.

The council continues to treat shabbily the people who most need its help. I shall give a few categories of people it ought to target, and pick out one or two recent examples to demonstrate the way in which they have been treated. This week, we learned of the classic case of Mrs. Janet Whalley, a badly disabled lady who dropped off her severely disabled son outside an after-school club—an initiative that the Government are rightly promoting. Because of a technical dispute over her blue-badge entitlement to disabled parking she was hauled before the courts. The magistrates were outraged and threw the case out, saying that it should never have been brought. Mrs. Whalley was awarded £500 costs. That was not good enough for the council, which sacked her for gross misconduct—behaviour which no one in their right mind would attribute to a fair-minded employer.

I came across the even better example of Nicola Foster, whose case falls into the homeless category. The homeless are always under pressure, but they are under particular pressure in Liverpool because of the city's regeneration, including new build and the Pathfinder project. The city is going through a period of transition, so we need to deal sensitively with cases at the margins or at the extremes that deserve help. Nicola Foster, unbelievably in modern times, has nine children. For two and a half years, she lived in a hostel near Sefton park. The council offered to rehouse the family in a hostel in Inverness. It wanted to deport a father, a mother and nine children to Inverness, because for two and a half years it had failed miserably to fulfil its duty of care towards those children. By the way, one of the children was offered a place at a local school where my wife used to teach, St. Finbar's, but because of the domestic situation the child has not been to school for two years. We should not be surprised at the indifference of Liverpool city council towards the child's schooling.

Another area in which the council abuses the sensible procedures set up by central Government is in the statementing of children with special needs. Each Liverpool MP has a caseload that would stretch from one side of the Chamber to the other concerning people who cannot get a statement of their child's special needs. What makes the situation even more pernicious is that the council argues that there is no demand for special needs places in special schools, and closes down special schools so that it can realise the capital assets. The Government's policy has always been that children with special needs ought to be catered for in a setting appropriate to them. If inclusion is appropriate, that option should be chosen and we would not dissent from it. But if a special needs place in a special school is the appropriate setting, that is what should be offered.

Many of our children are not getting that. I am dealing with the case of the child of a drug addict brought up by the grandmother, who got him into a secondary school. Because of his special needs, the school could not handle him—not that he was a bad kid, but he was hyperactive. That kid is now in a pupil referral unit for two hours a day, so not only is he not getting help from the very people to whom he ought to look for help, but his condition is being worsened daily by their neglect.

I mentioned council tenants when I referred to Nicola Foster's case. Sometimes I despair of a city council that fails lamentably to look after its own stock and fiddles its figures by transferring the stock out and then

[Mr. Kilfoyle]

claiming great success in upgrading the homes in its council stock. Government policies were designed to encourage more tenant involvement. No doubt the Minister would agree that we all want tenants to have—metaphorically, if not literally—a sense of ownership of the changes going on around them. We had a long-standing Liverpool Federation of Council Tenants and Residents Associations, which sent out a letter—I assume to my colleagues, as well as to me—on 17 June. The letter announces the closure of the federation and states:

"This is a serious decision taken by our tenant members and tenant management board as it considered that tenant participation is currently so gravely undervalued by our city council that it severely impacts upon the wellbeing and functioning of a vibrant, independent tenant federation."

The letter goes on to list the manifold problems that the federation has faced. It continues:

"A strong, vibrant, informed and independent tenants movement is an asset to any city"—

I say amen to that. However, the letter goes on:

"The climate in this city does not foster a spirit of empowerment but relies upon a culture of repeated rhetoric of 'intentions' without ever considering the means by which 'intentions' are merely the first step of the organic process of change".

That is eloquently put. That ought to be the case but, sadly, it is not so under Liverpool city council.

The council has done some good things and there have been some good investments. There have also been some terrible failures, from the millennium centre on Chavasse park to the King's dock project to the Fourth Grace. Everywhere that the dead hand of the Liberal Democrat city council rests itself, one can guarantee that there will be confusion leading to failure. My great fear, which is shared by people in Liverpool, including business leaders, is that that will bring about the stagnation of ongoing projects.

Indeed, only today a newspaper headline read "Paradise 'Delayed'". It refers to the Paradise street project, which is the biggest of its kind in the country. It is a regeneration scheme into which Grosvenor—no mean operator in its own right—is putting £920 million. However, the man in charge of Grosvenor is now asking, "How can you deal with a council that repeatedly obfuscates and delays?" Those are the sentiments of a developer who has put a massive amount of money into the city.

To show how far the city has come, I say in passing that I recall the Duke of Westminster commenting that he was happy for his daughters to go on a night out in Liverpool because he felt that they were safe there. That is another nail in the coffin of the myths about Liverpool that prevailed for many years. Happily, we have disposed of them. Liverpool is a relatively safe city. It is a good city for business to invest in and it is a prosperous city, which is evolving rapidly. However, the council is acting as a brake on such progress.

That brake is felt most keenly in the areas where the good citizens of Liverpool who are least able to look after themselves could, in the past, turn to the council for succour. I wanted to be objective about the matter and I examined Liverpool city council's document "Improving performance—leading to excellence". It is subtitled "Achievements in 2004/05 against the corporate plan published in June 2004".

I do not want to say that none of the objectives was met. Many of the council's objectives—not mine or the Government's—have been achieved. However, I have been through page after page headed "Well services, safe and sustainable neighbourhoods with optimum local accountability and influence over service management". That is the interface between council services and an efficient, well run council.

The first example reads:

"We did not achieve our target."

The second example states:

"We did not achieve our target."

The third example contains a little bit of spin:

"We have shown significant improvements in delays and narrowly missed our target."

The fourth example reads:

"We did not achieve our target".

The fifth example states:

"We marginally failed our target".

The sixth example also involves spin:

"Although we have significantly improved the actual numbers of carers who received a carer's assessment . . . the improvement has not been as pronounced."

In other words, they failed. The final example reads:

"We have not increased the take-up in the short-term break schemes."

Social services had damning reports on the sort of social provision that they should make as opposed to the provision that they make.

Alone, that might simply be another record of a poor council, whose position should be resolved at the ballot box. The citizens of Liverpool will have the opportunity to turn those people out—as they undoubtedly will—for their ineptitude in many aspects of their alleged competence. However, there is another phenomenon, on which the Minister, I hope, can throw some light.

There was an extraordinary turn of events, involving the publication of a dossier, which the chief executive compiled on the manoeuvrings of the leader of the council and one of his spin doctors to force out the chief executive. It is an extraordinary document. In all my long time in politics, I have never known such an obvious conspiracy to force somebody out. The leader of the council made a de facto admission by reporting to the Standards Board. His actions were completely out of order.

In the past week, the chief executive and the leader of the council have publicly kissed and made up. However, anyone who thinks that that is more than an Elastoplast on a rupture at the top of the council is much mistaken. My concern is not about those two people falling out but about the outcomes for the people and city of Liverpool. How can the matter be resolved? How can we ensure that the city council is operating according to the rules, and according to expectations, not only of the people as citizens, but those that the Government rightly hold of a council?

I am mindful of the fact that, more than 20 years ago—I never thought I would hear myself say this—49 councillors were debarred and surcharged for the notional loss of £106,000. That became something of a cause célèbre at the time. Yet here we have a council wasting money by the bucketload on a daily basis, and

whose two leading lights cannot agree on anything in the public arena. This is letting down the people of Liverpool, and I want to find out from the Minister what redress we have, through central Government, to ensure that it stops.

John Smith (Vale of Glamorgan) (Lab): Listening to this sad catalogue of events in Liverpool city council reminds me of the problems that I have with my council in the Vale of Glamorgan, where we are seeing not only a deterioration *in* services but the inability of the citizens of my constituency to *make proper representations to* the council. The problem has reached such an extent that hon. Members' correspondence to the chief executive of the Vale of Glamorgan council, containing sensitive information given to them in writing by their constituents, is routinely passed on to local councillors. Does my hon. Friend agree that it is totally unacceptable that such sensitive, personal, confidential information should be divulged in that way?

Mr. Kilfoyle: It is totally unacceptable. However, in Liverpool's case, I would love there to be an ability for issues to be referred on. MPs' inquiries to the Lib Dems in the city of Liverpool go into a veritable black hole, and if they reappear, they do so in transmuted form either in the legal services department or on the outer limits of the chief executive's department. I can guarantee that no one ever gets a straight answer to a straight question.

Will the Minister tell me what, if anything, can be done about this? What powers do Ministers have to ensure that people at the very top of local government do not inhibit what is otherwise a record of success? How, if at all, can Ministers intervene—and are they willing to do so?—to ensure not only that the city council is properly run in an open, transparent and accountable way but that Government moneys on which policies are predicated are being spent for the purposes that they were set out, on a value-for-money basis?

7.32 pm

The Minister for Local Government (Mr. Phil Woolas): May I start by congratulating my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) on securing today's debate? I know that he and my other hon. Friends who represent the city of Liverpool in the House rightly feel very strongly indeed about this issue. I also want to acknowledge the successes of the city of Liverpool, to which my hon. Friend rightly drew our attention, and to add to the story of Liverpool in recent years.

It is true that the city has the highest concentration of deprivation of any local authority in the country, with 26 of its 33 wards in the worst 10 per cent. nationally. However, regeneration schemes—particularly those involving European objective 1 funding—are helping to revive the economy and to bring a new optimism for the future. That is evident to anyone who has visited the city recently. Tourism, in particular, is now a major industry on Merseyside and has grown by 5 per cent. a year since the mid-1990s. It now supports some 22,000 jobs in the city.

Most recently, in addition to the neighbourhood regeneration funds and other money that central Government have made available, Liverpool's successful European capital of culture bid for 2008 will add further impetus to the regeneration process. Indeed, it is already doing so. It is expected to generate some 14,000 jobs and lever in an additional £200 million in tourism in the run-up to the European capital of culture year. There is therefore a success story in Liverpool, as my hon. Friend rightly said.

In December 2004, the Audit Commission—which is of course independent of Government, and rightly so—awarded a grading of good on its comprehensive performance assessment rating, which was no change from the 2003 rating. The Audit Commission acknowledged, as my hon. Friend has done, that the council had made some improvements, which it identified in education, libraries and the use of resources. Other improvements are expected in those areas, based on the Audit Commission assessment, in the next 12 months.

In other areas, however, such as social care services—which my hon. Friend has highlighted—housing and the environment, the council's performance is much more mixed. A number of underperforming areas remain, such as housing, recycling, highways, supporting people and social care. Investments in services are showing some signs of improved outcomes, however. The Audit Commission's assessment is that the council should be well placed to continue to improve in those areas, in the way it works and in the services that it provides to local people—generally, that backs up the points made by my hon. Friend.

Let me briefly indicate to the House how far Liverpool has to go in its regeneration strategy by examining the floor targets for neighbourhood renewal funding that the Office of the Deputy Prime Minister makes available. On education targets—the percentage of pupils achieving five or more GCSEs or GNVQs at grades A to C—Liverpool's most recent figure is 41.4 per cent., whereas the figure for the north-west as a whole is 49.4 per cent. and for the UK overall it is 52.9 per cent. Liverpool is therefore some 10 per cent. behind. If we compare the health floor targets, the life expectancy of the male population of Liverpool is 72.5 years, whereas the national average is 75.9 years. By accident of birth, therefore, the people of Liverpool have a shorter life expectancy from the outset. Those are statistics and real-life facts that we cannot afford to ignore.

The crime figures show, for example, that burglary dwelling offences per 1,000 households in Liverpool in 2003-04 were at around 30, as opposed to the national average of 18.5. Those are the sorts of problems that we are addressing through neighbourhood renewal and regeneration. Perhaps most tellingly, my hon. Friends who represent the city of Liverpool have constantly referred over the last few years to the target of achieving full employment. The 2002-03 overall employment rate in Liverpool was 59.7 per cent., compared with 74.5 per cent. for the UK as a whole. On education, health, crime and employment, Liverpool's performance was below the neighbourhood renewal fund floor targets. The situation is therefore serious; and the Government are right to monitor it, as my hon. Friend has asked us to do.

[Mr. Phil Woolas]

Let me address directly the question that my hon. Friend has asked me in correspondence and in this debate relating to the reports of the dispute between the council leader and the chief executive of the city council. Two key factors can be considered: either it is an employment matter in which the Government have no jurisdiction and which should be dealt with internally by the council as part of its responsibility for staff management issues, or it is an issue of political ethics and conduct for which the local government Standards Board for England is responsible. It was with such situations in mind that the Government established the board in the first place. As my hon. Friend will know, we are still trying to ensure that it works as effectively as possible. We are working closely with the Graham committee and the Office of the Deputy Prime Minister Committee, which has reported on the matter.

I understand my hon. Friend's concern and his desire for Government to be seen to intervene in what is a worrying situation for him, for other Members with an interest in Liverpool and, no doubt, for the people of his city. I must tell him, however, that the Government do not intervene in the affairs of democratically elected councils lightly. The intervention powers that we have are under the best-value regime. They are a weapon of last resort, to be used in the worst cases of performance failure when problems are deep-seated and endemic. As my hon. Friend will know, in the six years for which the powers have been in the statute book, we have used them only twice: in Hackney and, more recently, in Hull. When we do use them, we do so in accordance with a protocol that we have agreed with the Local Government Association.

In the two cases in which the powers were used, there was strong evidence of failure in service quality and governance. Even then, the Government explored a number of options before using their legislative powers. When they use the powers, they must be certain that they have strong evidence to support intervention and that they are behaving reasonably; otherwise, they are at risk of judicial challenge.

The Liverpool case now throws itself into the limelight. As I have said, the Audit Commission has rated the council as good. Although its services are not uniformly excellent—far from it, as I hope my statistics have made clear and as we have heard from my hon. Friend—they have achieved a good rating in some respects, and the Audit Commission's latest statements about its overall direction have been positive. There are currently no performance grounds on which any reasonable Minister could act under the legislation.

That is not to say that we will not be taking a close interest in how Liverpool fares. My officials and their colleagues from the Government office for the north-west have been monitoring the situation to determine what effect, if any, it has had on the council and in the city. In the immediate future, we will keep a close eye on the council's performance on key services and the governance that it offers local people.

There is no doubt that the events that precipitated the debate are worrying. As has been said, they may well damage the council's image—the way that it is seen by its partners and potential investors in Liverpool. Like my hon. Friend, I greatly regret what has happened, but it seems to me that the most sensible thing for the Government to do in the short term is give the key players a chance to sort out the problems. I welcome the appointment of Sir Michael Lyons to facilitate arbitration between the leader and chief executive of the council, but we must watch the situation carefully.

As I have said, our powers of intervention rest on best-value legislation. The Minister can insist on some relatively minor procedures, but the four main powers are to direct the council to take specified action in respect of specified functions, to direct that specified functions be exercised on behalf of the council by the Secretary of State or his nominee, to hold a local inquiry into the way in which a council is carrying out its functions—I think that my hon. Friend referred to that in the correspondence—and to allow the Secretary of State to direct the Audit Commission to carry out a best-value inspection.

As the main issues highlighted recently appear to be related to leadership generally, and to relationships within the council leadership, I doubt at this stage whether a satisfactory case could be made for use of either of the first two powers. The third—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at sixteen minutes to Eight o'clock.

House of Commons

Thursday 30 June 2005

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Borrowing Forecast

2. **Michael Fabricant** (Lichfield) (Con): If he will make a statement on the accuracy of his Department's forecasting of borrowing. [8141]

The Chancellor of the Exchequer (Mr. Gordon Brown): The National Audit Office independently audits key forecast assumptions on trend, growth, unemployment, interest rates, equity prices, value-added tax, price indices, composition of growth domestic product, debt funding, oil prices, tobacco proceeds and privatisation proceeds. With the new fiscal framework, average borrowing has been not worse but better than forecast, on average by 0.2 per cent. of GDP for the first two years forecast and 0.4 per cent. of GDP for one year ahead.

Michael Fabricant: That sounds an interesting improvement. Back in 2001, the Government forecast that they would borrow £16 billion, but in practice they borrowed £91.3 billion. All forecasts are inaccurate, but what steps is the Chancellor taking to try to improve the forecasting model in the Treasury?

Mr. Brown: The forecasting model has improved. Let me tell the hon. Gentleman what happened during the last world downturn under the last Conservative Government. *[Interruption.]* The hon. Gentleman asked if we could improve the forecast. I am telling him that we have improved it. At the time of the last world recession, the last Government's forecast was 4 per cent. out—that is £40 billion. Then it was 6 per cent. out two years on—£60 billion. Then it was 5.4 per cent. out—£54 billion. Whatever the hon. Gentleman says about this Government, the Conservative Government's record of incompetence is something about which he should be ashamed. He should also know that we have a lower deficit and lower debt than all our major competitors. Instead of criticising us, he should be congratulating us.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Government's record on debt is indeed remarkable and the forecasting mechanisms have been reasonably accurate, but can the Chancellor tell us whether the methodologies have been amended to reflect the amendment that has now been made? Private finance initiative debt is increasingly appearing on the Government's balance sheet, which is where it should always have been.

Mr. Brown: PFI debt does increasingly appear on the Government's balance sheet—and even with that, debt as a proportion of national income, which was 44 per cent. of GDP when we came to office, is now 35 per cent. of GDP. That contrasts with America, where the figure is 44 per cent., France, where it is 46 per cent., Germany, where it is 55 per cent., Japan, where it is 84 per cent., and Italy, where it is 100 per cent. Let me tell Conservative Members that not only is debt as a share of GDP lower than that of our major competitors—and it will remain so—but so are our deficits. Again, that shows that the economy is being prudently managed.

Sir Peter Tapsell (Louth and Horncastle) (Con): Has it occurred to the Chancellor that he would not have to borrow so much if he had not lost more than £1 billion of taxpayers' savings by selling half of Britain's gold reserves at a price almost $200 an ounce lower than the price today? He then compounded that folly by reinvesting the proceeds in, of all things, the euro. If he were a professional fund manager in the City, he would have been sacked long ago for that.

Mr. Brown: Inconveniently for the hon. Gentleman, who cannot resist getting Europe into any question, the value of the euro has risen and therefore the value of our reserves is higher.

Adam Price (Carmarthen, East and Dinefwr) (PC): According to the Office for National Statistics, VAT receipts were down by 1.8 per cent. last month. Was that in line with the Chancellor's forecast, and what effect will it have on borrowing?

Mr. Brown: We gave our forecast in the Budget. We forecast that consumer spending would rise and that the rate of growth would be slower than last year's, but would continue to be a rate of growth and not decline. I think that the hon. Gentleman will find that that is borne out by events. I will give the next forecast in the pre-Budget report, but if I were him I would not believe all the stories I read in the newspapers.

Dr. Vincent Cable (Twickenham) (LD): Will the Chancellor spell out the implications for his spending and borrowing assumptions of the commitments that the Home Secretary has made over the past two days? The initial commitment was to cap the cost of identity cards at under £100, but yesterday we were told that they should be given away free in the event of compulsion. The scheme is conservatively estimated to cost £6 billion—that is the Government's assumption—which is the equivalent of two years' investment in the NHS, but it is independently estimated to cost as much as £19 billion, the equivalent of four years' spending on overseas development. Why has the Chancellor agreed to this massive expansion of spending and borrowing potential?

Mr. Brown: This is just about the only area in which the Liberal Democrats do not want to spend more money.

What the Home Secretary actually said was that he would make a statement to the House before the Identity Cards Bill left the House of Commons for the other place. I think that the hon. Gentleman should wait for that statement.

Mr. Mark Francois (Rayleigh) (Con): In view of the Chancellor's poor record of forecasting his own borrowing, does he now agree that we need an independent body to take over fiscal forecasting? Testing his declared net borrowing for the past five financial years against his original 2001 estimate of such borrowing reveals that that estimate was a little out—by some £100 billion, in fact. Is he not a bit embarrassed at having been so wide of the mark?

Mr. Brown: As I said at the beginning, it is this Government—the hon. Gentleman might have acknowledged this point—who independently audit the major assumptions affecting fiscal policy. None of that happened before 1997. The previous Conservative Government simply put in a figure for privatisation proceeds, put in a figure for VAT receipts and put in an assumption about unemployment. There was no independent auditing, so the Conservatives should be praising us for introducing it.

On this Government's forecasting record, I have just pointed out to the hon. Gentleman how much better it is than that of the Conservative Government. I have also pointed out to him that on average, borrowing has been lower—I repeat, lower—since the new fiscal rules were introduced, not higher, a fact on which he should again congratulate us. On new rules and the fiscal position, I ask the Conservatives to consider that the right place to take decisions on fiscal policy, public spending and taxation is in this House. I do not propose to make fiscal policy independent of government.

Tax Credits

3. **John Bercow** (Buckingham) (Con): If he will make a statement on the operation of tax credits. [8142]

The Paymaster General (Dawn Primarolo): I refer the hon. Gentleman to the written statement that I made to the House on 26 May. I set out a number of specific measures to improve the administration of tax credits, with particular regard to how Her Majesty's Revenue and Customs communicates with families about their tax credit award, to reduce the risk of errors adding to the number of overpayments, and to improve procedures for recovering overpayments.

John Bercow: I am grateful to the right hon. Lady for that answer, but surely the tax credit system is now as complex as the Schleswig-Holstein question, which was understood by only three people. One of them died, the second went mad and the third forgot what the answer to the question was. I put it to the Paymaster General that such complexity inevitably increases the number of errors, and that simplicity would tend to reduce their incidence. In those circumstances, is it not better to overhaul the entire tax and benefits system and to put in place a mechanism for helping the needy that is simple, transparent and fair?

Dawn Primarolo: Regrettably, the hon. Gentleman seems not to understand the facts about the system. In its first year, take-up reached 80 per cent.—some 5.7 million families, which is a very high figure. Each year, that figure is rising and it is now 6.1 million. In addition, the system's flexibility has contributed significantly to the Government's objective of ensuring that we reduce and then eradicate child poverty, and it has ensured that people can balance their family responsibilities with their desire to have paid employment. Tax credits have delivered everything that they were intended to deliver for those claiming them. They have removed stigma, introduced flexibility and helped families to plan care for their children and to return to paid employment.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Some 8,000 families in my constituency have benefited from the tax credit system and I experienced many positive reactions on the doorstep during the election. However, it appears that on the occasions when overpayments have been made and other difficulties have occurred, the main criticism has been Government officials' slowness in responding to complaints. Can the Paymaster General assure me that this issue will be sorted out and that people with legitimate complaints will have them addressed quickly?

Dawn Primarolo: As my hon. Friend will know, the policy on overpayments is set out in code of practice 26, which points out that a claimant will not be asked to pay back an overpayment if it arose because Her Majesty's Revenue and Customs made a mistake, and if the claimant could reasonably think that they were being paid the right amount. This is an attempt to strike the right balance between fairness to the claimant and to the taxpayer. Of course, the reasonableness test—my hon. Friend alluded to this process—has been in place since the early days of tax credits. However, as I told the House in my written statement of 26 May, HMRC is currently reviewing the operation of the code of practice, including the reasonableness test. I will make a statement soon on its future application.

In addition, I remind the House that HMRC is taking steps to ensure that where an overpayment is disputed, recovery will be suspended until the dispute is resolved. In that way, I hope to meet the points that my hon. Friend and many other hon. Members have repeatedly made in debates over the past week.

Mr. George Osborne (Tatton) (Con): According to the parliamentary ombudsman, many families hit hardest by the chaotic administration of the Chancellor's tax credits are running up credit card debts to pay for child care costs, buy food and get to work. Will the Paymaster General confirm that the Inland Revenue is advising families faced with hefty repayments to borrow money on credit cards or from loan companies, and does she believe that that is good advice for low-income families?

Dawn Primarolo: As the hon. Gentleman knows, the parliamentary ombudsman said in her opening remarks that her report does not suggest that the new tax credit system is in general disarray. On the contrary, it recognises that, given the scale of the undertaking, its introduction has been broadly successful. I have said on a number of occasions—and, indeed, a few moments ago in answer to

the previous question—that in the code of practice, the Revenue advises claimants on the process for recovery and explains what they can do about disputed overpayments. There are provisions for additional payments to be made under the current system. I have already told the House today that I have asked the Revenue to consider suspending the recovery of overpayments where they are disputed until that dispute has been resolved. That is how to deal with this matter.

Mr. Osborne: I am afraid that the Paymaster General did not answer my question, so I shall have to repeat it. Citizens Advice reports that the Revenue is advising people to borrow money on credit cards to repay their debts. Does she approve of that advice? I certainly do not and I do not think that anyone who wants to keep low-income families out of a spiral of debt would give that advice—*[Interruption.]* The Chancellor sits in his place muttering to the Paymaster General, but when is he going to get up and take responsibility for the tax credit system that he introduced? He sends his junior Minister to pick up the pieces and he sends the Prime Minister to apologise. When is he going to take the rap?

Dawn Primarolo: The hon. Gentleman clearly approaches each Question Time as though he has no responsibility for anything that either he or his party said in the past. I remind him that his party claims to support the tax credit system—*[Interruption.]*

Mr. Speaker: Order. Hon. Members are out of order.

Dawn Primarolo: I remind the hon. Member for Tatton (Mr. Osborne) of my comments today and in previous debates and, to help his understanding, I will send him a copy of the code of practice so that he can see precisely what HMRC is doing in these circumstances.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): The Minister may know that I signed a letter in the past few months for a lone parent constituent with three children who is getting £13,500 in tax credits. Presumably, that is the reason why all parties agree with the concept of tax credits. If newspapers are to be believed this morning, some Opposition politicians are taking advantage of the Chancellor's munificence by claiming tax credits. Is not the key issue the human judgment element of those who work with tax credits? If we can get that right, we can ensure a smooth interface between the Department and those who find themselves in debt.

Dawn Primarolo: I am grateful to my hon. Friend for reminding Opposition Members that the Conservative party has said that it wants families to receive the tax credits and that it supports the system. Indeed, Liberal Democrat Members also support the system as a means of assisting families and eradicating poverty. Those who work on tax credits in HMRC are doing a splendid job. They are doing everything they can at every opportunity to get the money through to the families. Following reports that we have seen and in the light of statements that I have previously made to the House, it is right to consider again how best to improve the interface.

Mr. Michael Fallon (Sevenoaks) (Con): My constituent was told that she had been overpaid £33,000, when the correct figure was £6.78. Deductions of £200 a month are still being made because the Revenue says that the computer system cannot be stopped. My constituent cannot afford that. The Chancellor hides behind his junior Ministers, but when will he come to the Dispatch Box and apologise for a system that was badly designed and appallingly—

Mr. Speaker: Order. The question is to the Paymaster General.

Mr. Andrew Turner (Isle of Wight) (Con): No, it is not. The Order Paper—*[Interruption.]*

Mr. Speaker: Order. The Minister is replying on behalf of the Chancellor of the Exchequer. I advise the hon. Gentleman not to be picky about what I say, as I do not think that he will win.

Dawn Primarolo: I cannot comment on the case that the hon. Member for Sevenoaks (Mr. Fallon) raises as I do not have the details before me. However, the legislation introducing tax credits was not opposed by any party as it went through this House. It had overwhelming and all-party support, and that included support for the details of how the flexibility would work. The issues that need to be taken forward are the ones that I identified in my statement of 26 May. I reported to the House again in another statement only last week and I will continue to keep the House informed about the improvements to the system.

Ms Sally Keeble (Northampton, North) (Lab): The child care tax credit has been very important for many hundreds of working women in my constituency, especially those who are lone parents. It has given them their first chance to go to work, although some of the problems associated with it have caused difficulties. I am organising a special surgery on tax credits. Will my right hon. Friend agree to meet me and go through some of the cases with my constituents, so that their experiences can be taken into account in the review aimed at improving the operation of the system?

Dawn Primarolo: I certainly confirm to my hon. Friend that I will extend to her the courtesy that I have extended to other hon. Members. I am prepared to meet any hon. Member who has detailed questions about the operation of the tax credit system.

Taxation

4. **Mr. Boris Johnson** (Henley) (Con): What assessment he has made of the effect of the level of taxation on the state of the economy. [8143]

The Chief Secretary to the Treasury (Mr. Des Browne): The Government's macro-economic framework has consistently delivered stability with strong growth and low inflation, thus establishing a track record that has been acknowledged internationally. The Government's approach to taxation balances the need to finance better quality public services, deliver fairness and promote sustainable development, while ensuring that the UK benefits from the advantages of being a lightly taxed economy.

Mr. Johnson: One of my constituents is a road sweeper of 18 years' service. He attracts no benefits or tax credits, so will the Minister undertake to explain to him the justice of his payslip, which he showed me recently? On gross earnings of £542 per fortnight, he pays £161 in tax and £86 in national insurance. On top of that, he has to find a further £50 for council tax. Does the Minister think that that is fair? The Government have raised the overall burden of taxation over the past eight years. Is it right that that burden should fall disproportionately on the poorest fifth of the population, who now pay almost 40 per cent. of their income in tax?

Mr. Browne: If the hon. Gentleman is unable to explain to his constituent how the tax system is structured, I shall of course be happy to assist him. However, I have two observations that he may care to pass on. First, I am not aware that his party is proposing to change any element of the tax structure. Secondly, the hon. Gentleman has championed getting more investment for care of the elderly, especially in his constituency. Will he explain to his constituent how that would reduce the tax burden? Will he also explain how a fair tax burden delivers appropriate and better public services?

Mr. Dennis Skinner (Bolsover) (Lab): Is my hon. Friend aware that over the past eight years, the state of the economy and the level of taxation have caused unemployment in Bolsover to fall from more than 10 per cent. to less than 4 per cent.? That has happened because Treasury money has been used to improve the pit sites and turn them into industrial estates where people have been able to go back to work. The hon. Member for Henley (Mr. Johnson) should be more worried about the state of the economy at *The Spectator*. He has resorted to spreading graffiti around Parliament in an attempt to get people to buy it. Such is the state of those who went to Eton—they are educated beyond their intelligence.

Mr. Browne: I approach the Dispatch Box to answer that question with some difficulty, in the sense that I cannot match my hon. Friend's ability to put his finger on the pulse of the issue. He has in his constituency living evidence of the improvement in ordinary people's lives as a result of our investment not only in public services, but principally in the new deal, which was funded by a form of taxation that the Conservatives opposed. That may have been because of their ideological education in public schools, but I have no idea about that.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): When the Chief Secretary turns his attention from the economy in Bolsover to the international economic scene, something that the Chancellor has considered quite a lot lately, he may notice the well-documented and strong correlation between lower taxes and higher rates of economic growth. What conclusions has he drawn from that about the consequences for Britain's long-term prosperity of the Chancellor's policy of increasing taxes by a further 2.3 per cent. of gross domestic product over the next five years?

Mr. Browne: The hon. Gentleman is aware that since the turn of the century our growth rate has been equal to the best growth rates in the world, including the US growth rate. I am interested in, and follow carefully, the shadow Chancellor's consideration of the international scene, and I am aware that he has recently been to Estonia. No doubt at some stage he will be able to explain how Estonia provides an analogous model for the British economy. I am also interested in his comments that there has to be much more to our response to global economic change than just reducing tax, and that a tax policy is not a substitute for a proper economic policy. This Government have a proper economic policy and an appropriate tax policy, so to that extent I agree with the shadow Chancellor.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that it is not just the level of taxation that is important, but what we spend that taxation on? In the past eight years it has been spent on investing in skills, schools, education and our universities, and that is why we have such a successful economy. Perhaps my right hon. Friend could consider the tax affairs of the hon. Member for Henley (Mr. Johnson), because he has several incomes and probably a very—

Mr. Speaker: Order. The question is not about the hon. Member for Henley (Mr. Johnson).

Mr. Browne: I shall restrict my answer to the first part of my hon. Friend's question. He is right that the investment of taxation is now beginning to pay significant dividends in all our communities. However, it is not only communities that have benefited from the tax and benefit measures introduced by this Government. In real terms since 1997, households will be on average £900 a year better off; families with children £1,400 a year better off; importantly, families with children in the poorest fifth of the population £3,200 a year better off; and pensioner households £1,500 a year better off. This is a Labour Government who deliver for the community and for the individual.

Mark Pritchard (The Wrekin) (Con): Part of the justification for the huge increases in taxation and, in particular, national insurance contributions is the Government's so-called investment in the national health service. Perhaps the Minister could correlate that investment with the 100-week wait for an MRI scan in my constituency.

Mr. Browne: The hon. Gentleman touched on that issue in the context of his own local election campaign, where he appeared to argue for more investment—more money—in the national health service. Of course, he will have to explain to his hon. Friends, including those who sit on the Front Bench, how that is consistent with the Conservative party's general policy of cutting investment in public services. However, the point that he makes about an ambition to reduce the waiting times of individuals in the NHS is, of course, important, and it is just that progression that our investment is delivering.

Immunisation

5. **Mr. Iain Wright** (Hartlepool) (Lab): What proposals he intends to put to the G8 summit in Gleneagles for an international finance facility for immunisation; and if he will make a statement. [8144]

The Chancellor of the Exchequer (Mr. Gordon Brown): Britain hopes to secure approval soon from the European statistical authorities for the creation of an international finance facility for immunisation. With the front-loading of aid that that would involve, if implemented, the international facility could save 5 million children's lives by 2015. I am confident also that our proposal for an international finance facility will help us to lock in the doubling of European aid and enable us to front-load its use, and we hope to make announcements on that in the next few days.

Mr. Wright: I am grateful to my right hon. Friend for pushing immunisation to the top of the agenda. It is vital to eliminate diseases that exacerbate poverty and affect people's lives. He referred to the work planned and carried out by this Labour Government and the Gates Foundation in front-loading investment from the capital markets to pay for vaccination. Has he made any assessment of what benefits that will provide?

Mr. Brown: I hope to meet Mr. Gates, when he is in the country in the next few days, to discuss the progress of the international finance facility for immunisation. Over the past few years, 50 million people have been vaccinated as a result of the work of the Global Alliance for Vaccines and Immunisation. If we could raise the additional money, as we propose with the international facility, partnered with the Gates Foundation, a number of countries believe that 5 million lives could be saved by 2015, and another 5 million in the 10 years after that.

The advances now being made in the technologies and medical cures for malaria and strains of tuberculosis, as well as action on HIV/AIDS, make it necessary for the international community to come together to consider what advance purchase agreements we can put in place to cut the cost of those drugs for the poorest countries, to make them available at a price that they can afford and to enable us to use modern medical technologies to avoid the 1 million deaths that are caused by malaria each year and the deaths caused by tuberculosis. So, over the next few days we hope to make further announcements on those matters, too.

Tony Baldry (Banbury) (Con): The Chancellor will know that he has the support of the whole House both on the international finance facility for immunisation and on the international finance facility itself. What we are all keen to see now, though, is the detail. We have been waiting for the detail for a very long time. Will he give an undertaking that he will make a written statement on the detail, so that we can see where the money is coming from, whom it is coming from and where it will be spent? Does the reference in his answer to the European Union mean that he has given up hope of the United States and other key G8 players supporting those initiatives?

Mr. Brown: No, but the discussions are taking place at the moment. The reference to the EU was that our proposal about the treatment of the international finance facility for public expenditure purposes must—for the purposes of the involvement of France, Germany and Italy, as well as Britain—go before the European statistical authorities, and we expect them to give us their verdict in the next few days. I believe that we will set up an international finance facility for immunisation very quickly. I think that we are in position, working with France, Germany and Italy, to create an international finance facility. We are prepared to hypothecate some of our air ticket levies to do so and other countries are considering what they might do. I will certainly do what the hon. Gentleman suggests and make a written statement to the House on the progress that we make in the next few days.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Yesterday, my son asked me a question. He said, "Daddy, are you going to the G8 summit this weekend—you run the country, don't you?" I said, "No, son, but I know one or two people who do." Bless him, he is only six, but they have been talking about this during school assembly. May I ask my right hon. Friend—especially in relation to immunisation, HIV, malaria and TB, which are both major causes and symptoms of poverty—what he will do at the G8 summit this weekend to ensure that people throughout the land, including children in school assemblies, come away from this weekend's summit with a feeling of hope that something will be done to address those problems, rather than with a feeling of disappointment?

Mr. Brown: My hon. Friend is right that there is enormous interest in what will happen at the G8 next Wednesday and Thursday. I understand that there have been 25 million hits on the Make Poverty History campaign and organisations such as Oxfam and Christian Aid have more than a million subscribers each. There has been a tremendous growth in public opinion about the need to take action on those matters. A combination of debt relief, aid and trade justice and a demand for transparency and proper governance in the countries that we are talking about will make for both a successful communiqué and the action in Africa that is necessary to relieve poverty.

Mr. George Osborne (Tatton) (Con): As my hon. Friend the Member for Banbury (Tony Baldry) said, we wholly support the Government's efforts to increase aid and debt relief for the poorest countries in the world. Like tens of thousands of people who will be taking part in Live 8 this weekend, we wish the Prime Minister and the Chancellor every success at Gleneagles. As we said at the first Treasury Question Time of the Parliament, an international finance facility for immunisation would of course be welcome and could, as the Chancellor said, save millions of lives. May I press him on the broader international finance facility? He said that he would make a statement in the next few days—to the House of Commons, I hope. What does he think the chances are of getting non-European members of the G8 to sign up to the IFF and will he confirm that, even if they do not sign up, we can still proceed, during the British presidency, with setting up an IFF?

Mr. Brown: The hon. Gentleman's first point was about other countries and we, of course, continue to talk to them. On the facility for immunisation, South Africa, China, Canada, Brazil and many other countries outside the EU have expressed an interest. We are continuing our discussions about the IFF with EU members and, as he rightly said, the finance facility can go ahead if a number of countries are willing to contribute to it. There is discussion about the use of air ticket levies as a contribution to that fund. We already have such a levy, which could be hypothecated for it.

The advantage of an international finance facility is that it could front-load aid, as I described in relation to immunisation. By front-loading $4 billion of aid the vaccinations and immunisations that are possible could be done. I am grateful for all-party support. I believe that the Liberals and other parties in the House, as well as the Conservatives, support it, and I hope that we can agree a funding mechanism in the next few days. I shall certainly make a written statement to the House in the run-up to the G7, if there is a chance to do so, or afterwards, and I should be happy to answer questions on it either at a Select Committee or to the House.

Global Poverty

6. **Anne Snelgrove** (South Swindon) (Lab): If he will make a statement on the proposals to reduce global poverty to be made at the G8 summit. [8145]

10. **Stephen Hesford** (Wirral, West) (Lab): What discussions he has had with other Finance Ministers on meeting the 2015 targets for reducing world poverty. [8150]

The Chancellor of the Exchequer (Mr. Gordon Brown): The European Union has made a commitment to reach the 0.7 per cent. aid target by 2015, and to double aid by 2010. We are also seeking agreement to further proposals on innovative financial mechanisms, but those measures are aligned to the progress we are seeking on trade, transparency and the attack on corruption.

Anne Snelgrove: Does my right hon. Friend agree that the money freed up from debt relief and debt interest could be well used in improving health and developing education programmes in heavily indebted countries, and that that would lead to greater life expectancy and the wherewithal to improve, in particular, the education of girls and women? That has been shown to be a key factor in helping developing countries become economically independent and thus making poverty history.

Mr. Brown: I am grateful to my hon. Friend, who has taken a great interest in these matters. If she had been in Kenya, as I was a few months ago, she could have seen the school that I visited in Kebira, a slum outside Nairobi in one of the poorest areas, where, as a result of free education, because of aid and debt relief, a million more children had turned up for school in one week. That situation is repeated in Uganda, where debt relief has increased the number of people in education from 2 million to 6 million, and in Tanzania and Mozambique where the debt relief agreements that we signed are increasing the amount of expenditure on education and the number of pupils going to school. People who say that aid does not work must look at that success in getting more children into education and then look at what we still have to do to get 100 million children who have no education into school, two thirds of them girls.

Stephen Hesford: I do not know how often my right hon. Friend watches television, but last Sunday he might have seen the Richard Curtis docudrama about the G8 summit which, as well as relocating the summit to Reykjavik, painted a very pessimistic picture of the G8 commitment to reduce world poverty by 2015. Will my right hon. Friend assure the House that the Government will do everything at Gleneagles to ensure that the G8 makes every genuine effort to meet the 2015 target, thus preventing life mirroring art and making the girl in the café unnecessary?

Mr. Brown: If that is the interpretation that my hon. Friend takes from the film, it is clearly fiction, because enormous progress has been made in the past few months. All major countries in the G7 have committed themselves to 100 per cent. debt relief, which is the first time that the world has agreed to 100 per cent. debt relief. Some $55 billion will be written off, with $40 billion written off immediately. Twenty-eight countries will benefit—the number will rise to 38 in time—and we in Britain are making the same offer to another 30 countries. Anyone who says that public pressure and Government action, which I acknowledge has had all-party support, have not worked is wrong because 100 per cent. debt relief has been agreed.

The European Union has agreed to double aid, but that was inconceivable a few months ago. In the 30 years since the Pearson committee, none of the major European powers had agreed to a 0.7 per cent. target, but now 13 countries in Europe have agreed to it. France, Spain, Germany, Italy and Britain, as well as Ireland, Belgium and Finland, have made that decision, some of them in only the past few weeks, which is a result of the changing opinion in the world about what must be done. However, everyone knows that debt relief and aid must be accompanied by action on trade, action on transparency, tacking corruption and opening up economic development, so I believe that that comprehensive agenda will be discussed at Gleneagles. We have come a long way, but we still have a long way to go.

Sir Nicholas Winterton (Macclesfield) (Con): The Chancellor's commitment to the reduction of poverty in the world, especially in Africa, is hugely admired and his views are shared by every party in the House. However, does he accept that, at the G8 in Gleneagles, the problems created in Africa by the brutal tyrant, Robert Mugabe, could have an adverse influence on people's views about giving more assistance to Africa? Will he try to overcome that, because I believe that we have a greater commitment to tackling poverty in the world as a whole, especially in Africa, although clearly I hope that pressure will be brought upon President Mbeki of South Africa?

Mr. Brown: The hon. Gentleman takes a huge interest in Commonwealth affairs and especially Zimbabwe. No Government international aid is going to the

Zimbabwean Government. Any help for the people of Zimbabwe goes through Churches, voluntary groups or charities and I think that there would be all-party support for that policy. All parties assumed 20 or 30 years ago that a modernising Government might be a strong Government in Africa, but we now realise that having transparency, participation in democracy and accountability is the only sure way to achieve results through both aid and economic development. That is the why the emphasis of the Gleneagles summit will be on not simply aid, trade and debt relief, but creating transparent structures of government in Africa so that the rulers are properly accountable to the people.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I am aware that the Chancellor agrees that it is vital to attach conditions to aid to encourage anti-corruption measures. Does he also agree that reform in the developing world needs to go deeper than that to ensure that it has functioning property, legal and contract systems, which are essential for enterprise and economic growth? If he does agree, will he explain how we can encourage the developing world to reform those systems without looking as though we would like the sun to rise on a new British empire in Africa?

Mr. Brown: I am happy to agree with the hon. Lady. I was privileged to give the UNICEF annual lecture yesterday in which I referred to the need for proper legal systems, for economic stability as the foundation for growth in the continent of Africa, for both private and public investment and for support for the New Partnership for Africa's Development, which is bringing Governments in Africa into a process through which democracy, transparency and accountability are enhanced. There is all-party agreement on that position, but she would agree that it must be accompanied by an offer from the richest countries of the world to help the poorest countries to develop their education and health care systems. We will give them some hope that, if they make the reforms, we will support them. The announcement that I hope to be able to make later today on debt relief for Nigeria represents exactly that—us backing the people who are prepared to make reforms.

Helen Jones (Warrington, North) (Lab): I congratulate the Chancellor on the progress that he has made so far in tackling poverty, which is more than we have seen under any Government.

I recently visited Burtonwood primary school in my constituency and the children were making "buddies" to be sent to the leaders at the G8 summit. I urge my right hon. Friend to persuade those leaders to display the same knowledge of the moral imperatives of tackling poverty in the third world that those young children displayed. If those leaders will not recognise the need to meet the millennium development goals on health and education, may I urge on my right hon. Friend the argument that it is essential for the stability of the whole world that we tackle those problems of poverty that lead to instability?

Mr. Brown: My hon. Friend has done a great deal to publicise both the cause of debt relief and aid and also the need for Governments around the world to support the programme that will be discussed at Gleneagles. She will also know that hundreds of schools in the United Kingdom are linking up with African schools. That project has the support of the Government. It involves school teachers and school pupils, and is having a huge effect on the opinions of young people for the better. Equally, she will know that the BBC ran an "Africa Lives" week, and I saw an exhibition of 12,000 postcards written by young children which again publicised the direct links that exist between Britain and Africa. Anything we can do to make the new generation of young people aware of the challenges ahead and the links that we have across the continents is beneficial.

Debt Relief

7. **John Barrett** (Edinburgh, West) (LD): What progress is being made towards ending the debt owed by the world's poorest countries. [8146]

8. **Andrew Gwynne** (Denton and Reddish) (Lab): If he will make a statement on his plans for cancellation of debt in the world's poorest countries under the UK's presidency of the G8. [8147]

The Chancellor of the Exchequer (Mr. Gordon Brown): Last month, G7 Finance Ministers agreed a detailed plan to match 100 per cent. bilateral debt relief with 100 per cent. write-off of multilateral debt cancellation for 38 countries. Eighteen countries will have their debts cancelled immediately at a cost of $40 billion.

I can also announce to the House today that the Paris Club has agreed in principle a further debt write-off of $18 billion of Nigerian debt which, with a buy-back of debt by the Nigerian authorities, will mean that there is 100 per cent. debt relief for Nigeria possible over the next six months. The Paris Club is now in negotiations with the Nigerians, and I believe that this is a significant advance, where we are backing reformers in Nigeria, writing off debt and enabling expenditures to go to health and education in that country.

John Barrett: I thank the Chancellor for that detailed answer and welcome any progress. He will know that some of the countries that have qualified for debt relief have had a bad track record in the realm of human rights. What mechanisms are in place to ensure that those countries that qualify for debt relief are also improving human rights for all their citizens?

Mr. Brown: Under the conditions that have to be met as part of the heavily indebted poor countries deal, countries have to prove that money is being used properly and that they are acting to make the economic reforms that are necessary. The hon. Gentleman is right. There is a new interest in human rights. There have been difficulties in, for example, Nigeria. We want to send out a message that those people who are prepared to tackle corruption, make economic reforms and go for economic development will be supported. That is why the deal that we are announcing today is important. In addition to the cancellation of debt for 18, and perhaps 38, countries that are part of the HIPC initiative, Nigeria, which is not a HIPC country—it is an International Development Association-only country—will also have its debts written off. The deal will give Nigeria and the reformers there 100 per cent. debt relief.

Andrew Gwynne: I thank my right hon. Friend for his comments and commend his work on tackling poverty throughout the developing world. He is aware that Nigeria has had no new loans from the Paris Club since 1992 and has repaid $8 billion. Despite that and his welcome announcement, Nigeria owes $14 billion more than it did in 1992. Given the statement that he just made, will he continue to do all he can to convince both the G8 and our European partners that a fair deal for Nigeria is desperately needed?

Mr. Brown: I have just received the statement that has been issued by the Paris Club in the last few minutes, in which it announces that it is proposing to write off $18 billion of Nigeria's debt. Nigeria will then buy back the rest of its debt using its oil revenues, which will enable it to make progress. Detailed negotiations will still have to take place with the Nigerians, but I believe that this proposal represents significant progress from the position where Nigerian debt was rising. Its debt to the institutions that I have been talking about will now be reduced to zero.

Sir Patrick Cormack (South Staffordshire) (Con): As one who wholly approves of what the Chancellor has done and proposes to do, may I ask him what sanctions he has in mind if corruption should rear its ugly head again?

Mr. Brown: The hon. Gentleman makes an important point. We wish to bind the countries with which we are engaging to international rules, embodied in codes and standards, that will be accepted by rich and poor countries alike. At the centre of that process is transparency. He will know from his experience with the Inter-Parliamentary Union that, when there are effective Parliaments to monitor public expenditure, rather than rulers who refuse to disclose information about the use of money, we can make progress. I believe that rich countries, as well as poor countries, should accept the codes and standards of the World Bank and the International Monetary Fund. That would ensure a level of transparency that, to be honest, we never demanded 10 or 20 years ago. It is now right to demand it, however, and to enforce it. I believe that that is the best way forward and any work that can be done between parliamentarians across the world will make a huge difference as well. I welcome the hon. Gentleman back to the House.

Employment

9. **Rosie Cooper** (West Lancashire) (Lab): If he will make a statement on the effects of levels of employment on the UK economy. [8148]

The Economic Secretary to the Treasury (Mr. Ivan Lewis): There are 28.6 million people employed in the United Kingdom—the highest number on record—and we now have the highest employment rate of any of the G7 countries, and one of the highest in the European Union. Under this Government, employment has grown by 2.2 million in an economy that has seen the longest-ever sustained period of economic growth.

Rosie Cooper: I thank my hon. Friend for that answer, which will be welcomed by the whole country. Will he make a statement about the effects of the new deal in my constituency? Having looked at the UK economy, I should like to concentrate on West Lancashire.

Mr. Lewis: The new deal has helped nearly 5,000 people in West Lancashire. Unemployment has come down by 43 per cent., and long-term unemployment by 56 per cent., in my hon. Friend's constituency since 1997. Nationally, more than 500,000 young people have been helped from welfare into work through the new deal. Every hon. Member knows the difference that this has made to the well-being of individuals, families and entire communities. Only 12 years ago, unemployment stood at 3 million, and we were told by the Conservatives that Britain could never have low inflation and low unemployment. Now they want to scrap the new deal. They might have a new generation of leaders, but they have the same old Tory values, without question—

Mr. Speaker: Order.

Mr. Rob Wilson (Reading, East) (Con): I visited the mental health resource centre in my constituency a few weeks ago. It is there to help people who suffer from mental illness to get back into work by giving them four hours work a week. Is the Minister aware that the rise in the minimum wage is affecting the ability of those people to work for four hours a week because it affects their benefits? Will he and the Secretary of State for Work and Pensions look into this issue to ensure that this unintended consequence of the rise in the minimum wage is eased for those people?

Mr. Lewis: Of course we will consider the issue in detail. However, if the hon. Gentleman thinks that the best way to support people with mental health problems and reintegrate them into the community is to abolish either the minimum wage or the new deal, he is on a different planet from the rest of us.

Miss Anne Begg (Aberdeen, South) (Lab): The unemployment rate in my constituency is below 2 per cent., which is as close to full employment as we are likely to get. This has caused a problem for many employers, because there is now a labour shortage in Aberdeen. What action will the Treasury take to encourage those who are presently economically inactive to get back into the workplace?

Mr. Lewis: I agree entirely with my hon. Friend. The Chancellor has made it clear that one of the priorities at the beginning of our third term is to look at people on incapacity benefit who are more than capable of re-entering the labour market. With support from the relevant agencies in local communities, it is possible to put together a package that will enable those individuals to have the confidence and skills to be able to re-enter the labour market. That is another reason why, instead of abolishing the new deal, we are extending it with the new deal for skills.

Mr. Tim Boswell (Daventry) (Con): Does the Minister agree that an endemic problem in the British economy is low and now declining productivity growth? Is it not

important, if we wish to make sure that we avoid increases in unemployment, that on-costs are kept to a minimum? As the new face at the Treasury, will he be assiduous in reminding his colleague of the relevance of the overall tax burden and the effective marginal rates of taxation?

Mr. Lewis: I usually agree with the hon. Gentleman on most issues, but productivity is rising in this country—it only went down under the Conservative Government. If the argument about the consequences of the burden of taxation were true, why do we have the lowest inflation, the lowest unemployment and the most stable interest rates in the history of our country?

Research and Development

11. **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): What steps he is taking to encourage industry to increase support for research and development. [8151]

The Financial Secretary to the Treasury (John Healey): We have introduced a range of measures to encourage UK businesses to invest more in R and D, including schemes run by the regional development agencies in England, the technology strategy of the Department of Trade and Industry and the higher education innovation fund. We have also introduced R and D tax credits, and I can tell the House that national statistics published this morning confirm that the value of the small firms tax credit last year was £259 million. Overall, the total cost of support claimed under the tax credits is an estimated £1.3 billion, so there is big investment under a Labour Government to try to boost the levels of innovation in the economy.

Dr. Kumar: I praise the Government for their efforts to promote research and development along with science and technology. Compared with the situation when the Opposition were in power, that is greatly to their credit. On Teesside, we have two great centres of excellence—the Teesside technology centre for the steel industry and the Wilton centre for research to benefit the chemical industry—both of which are supported by large companies. What effort is my hon. Friend making to promote the tax credits that he mentioned to small and medium-sized industrial businesses, because we must ensure that they follow the policies that he outlined?

John Healey: I have had the privilege of visiting the Wilton centre, and I was impressed by its work. My hon. Friend knows that it does not just work for big companies but provides specialist support for small and medium-sized enterprises and start-ups—the very companies about which he is concerned. He is anxious about small firms' knowledge and take-up of the R and D tax credit. There is in fact high take-up among eligible companies and he may be interested to know that Her Majesty's Revenue and Customs, together with the Small Business Service, recently published a guide to try to help small companies with their applications for R and D tax credits. I will send him a copy, and he may wish to share it with small companies in his constituency.

Ed Balls (Normanton) (Lab): Will my hon. Friend encourage the Small Business Service to do more work with regional development agencies to encourage small companies to take up research and development tax credits? Does he agree that the Small Business Service would be less well placed to encourage small firms to benefit from the Government's support for research and development if it were abolished, as proposed by the Opposition?

John Healey: One feature of the Opposition's proposals before the election was their lack of support for the levels of investment in many things that are in place to secure the country's long-term growth and prosperity, including support for business through the Business Link service. As for the R and D tax credit, Business Link services run by the regional development agencies often provide specialist support for companies with R and D requirements. My hon. Friend will know from the performance of Yorkshire Forward, which offers the same service as One North East does in the north-east, that the R and D tax credit is a vital part—but only one part—of the measures that we are putting in place to support greater innovation, research and development and prosperity for our regional companies, all of which are essential for future growth. He will also know that figures published yesterday show that, as well as foreign direct investment into the UK almost trebling, there was an increase of almost a quarter in research and development projects, and of almost two thirds in software projects.

European Single Currency

12. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What assessment he has made of the performance of the European single currency. [8152]

The Chief Secretary to the Treasury (Mr. Des Browne): Since the members of the European single currency do not have the ability to vary national interest rates and the nominal exchange rate between the euro area countries no longer exists, there is an additional premium in flexibility in capital, product and labour markets in the euro area. Consequently, to be fully equipped for the global economy, Europe must become more open and outward-looking, more flexible and competitive and more committed to reform to compete worldwide and move to full employment. It is against this background that the Government have set out an agenda for European economic reform during their presidency of the European Union.

Mr. Crabb: Have any minuted discussions taken place in his Department that have specifically considered and assessed the likelihood of one or more members of the euro zone reintroducing national currencies in the medium and long term?

Mr. Browne: I am unable to be precise in my answer to the hon. Gentleman's question because without notice of such a question, I cannot at the Dispatch Box be absolutely certain that I have seen every single piece of paper in the Treasury. What I can say to him is that I have taken part in no such discussions.

Business of the House

11.31 am

Chris Grayling (Epsom and Ewell) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Mr. Geoffrey Hoon): The business for next week will be as follows:

MONDAY 4 JULY—Opposition Day [4th Allotted Day]. There will be a debate on local taxation followed by a debate on Government regulation. Both debates arise on an Opposition motion.

Followed by proceedings on the Consolidated Fund (Appropriation) Bill.

TUESDAY 5 JULY—Second Reading of the Immigration, Asylum and Nationality Bill.

WEDNESDAY 6 JULY—Remaining stages of the Finance Bill.

THURSDAY 7 JULY— A debate on defence in the world on a motion for the Adjournment of the House.

FRIDAY 8 JULY—The House will not be sitting.

The provisional business for the week after will be:

MONDAY 11 JULY—Remaining stages of the Racial and Religious Hatred Bill.

TUESDAY 12 JULY—Opposition Day [5th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

WEDNESDAY 13 JULY—Motion to approve the membership of Select Committees and other House motions.

THURSDAY 14 JULY—Remaining stages of the Consumer Credit Bill.

FRIDAY 15 JULY—The House will not be sitting.

The House may wish to be reminded that, subject to the progress of business, the House will rise for the summer recess at the end of business on Thursday 21 July and return on Monday 10 October.

I should also like to inform the House that the business in Westminster Hall for Thursday 14 and 21 July will be:

THURSDAY 14 JULY—A debate on elite sports.

THURSDAY 21 JULY—A debate on the work of the social exclusion unit.

Chris Grayling: Although, as we know, the Foreign Secretary is making a statement immediately after business questions on the Government's plans for their presidency of the European Union, as is right and proper, will the Leader of the House provide an early opportunity for the House to debate in detail the contents of the Foreign Secretary's statement and the Government's plans? I personally congratulate the Government on apparently accepting what the Opposition have been saying for years—that Europe needs major change—but the issues that the Prime Minister and the Foreign Secretary have raised in the past few days, and the slight ambiguity over the rebate as set out in Prime Minister's questions yesterday, mean that it is essential that Members have the chance to debate these issues quickly.

Will the right hon. Gentleman join me in welcoming back to this place my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack)? Will he work to ensure that the private Member's Bill proposed by my hon. Friend to address the unfortunate events in his constituency has the chance to pass through the House and into law? What has happened has revealed an alarming loophole in electoral law. We have seen how an election can be disrupted by an individual tragic death, but there is also the risk of a general election campaign, and, indeed, an incoming Government, being disrupted by, for example, a targeted terrorist campaign against minor party candidates. That loophole must be closed quickly.

Will the Leader of the House re-examine the programming of the Identity Cards Bill? I am aware that the programme motion was passed on Tuesday, but he knows that the Bill's timetabling has caused concern on both sides of the House. I know that he is committed to and has a long-term interest in providing sufficient time for debate: will he re-examine the programming of the Bill and make sure that debate is not curtailed on that important issue?

The proceedings of the current court case involving Railtrack are sub judice and cannot currently be debated in this House. Given the seriousness of some of the information that is emerging in court, however, will the Leader of the House provide an opportunity for hon. Members to debate the information that has emerged from the Government when the case is complete?

Why is the Foreign Office so reluctant to make a statement on Zimbabwe, particularly given yesterday's comments by the Prime Minister? On Monday, we heard from the Home Office on immigration issues in relation to Zimbabwe, and today's debate on Africa is too important for it to become a proxy for a statement on Zimbabwe. Can we have a detailed analysis from the Foreign Office of what is happening and what it is doing?

Mr. Hoon: We recently debated the European Union. I shall respond in kind to the hon. Gentleman's observations about changes in the EU: his party supported a series of changes in the EU—Britain's accession, the Single European Act and the Maastricht treaty—but now it has abandoned change in the EU, which is a curious state of affairs.

I am delighted to welcome the return of the hon. Member for South Staffordshire (Sir Patrick Cormack) and have already taken the opportunity to welcome him personally. We will carefully examine his private Member's Bill, which concerns unfinished business from the general election. My attention has been drawn to Lord Ashcroft's concerns about the Conservative party's position:

"The belief that the Conservative party was on the verge of winning an election seemed implausible, blinkered and naive."

I do not know whether the hon. Member for South Staffordshire counted himself among those who thought that the Conservative party could win the election, but I am delighted that he has won his election.

The programme motion for the Identity Cards Bill affords significant opportunities for the House to debate the details of that important legislation.

I will examine the position on Railtrack once the case has concluded, but it would not be appropriate to make a commitment at this stage.

As I have said a number of times in this House, my right hon. Friend the Foreign Secretary closely follows the disturbing developments in Zimbabwe. I assure hon. Members that a statement will be made, as and when it is appropriate.

Sir Stuart Bell (Middlesbrough) (Lab): Hon. Members will have noticed that the Leader of the House has announced that a statement will be made on 13 July about the nomination of Select Committees. Will he share with the House his proposals on the structure of the Domestic Committees?

Mr. Hoon: Certainly; there has been a good deal of discussion over a long period about the appropriate structure for Domestic Committees. The matter is ultimately for the House, but I anticipate that some streamlining of the arrangements for Domestic Committees will be proposed in order more properly to allow hon. Members a say in how the House is administered.

Mr. David Heath (Somerton and Frome) (LD): In a week in which we have celebrated the Royal Navy with the superlative fleet review—I congratulate all concerned—and in a year in which we remember the 60th anniversary of the end of the war, is it not time for hon. Members to debate the position of people who have suffered hearing loss as a result of service in the armed forces and who are not properly compensated through the armed forces compensation scheme? Early-day motion 306 sets out the case for those veterans.

[That this House expresses concern that many ex-servicemen and women who have suffered substantial hearing loss as a result of their service in the armed forces are being denied compensation through the armed forces Compensation Scheme; notes that a service person has to suffer a hearing loss of 50 decibels before being compensated, a level often only experienced naturally by elderly people; further notes that this is not the case across the European Union and the Commonwealth, where the qualifying level of hearing loss is much lower; further notes that criteria for compensation ignore the fact that noise-induced hearing loss associated with service brings forward the age at which an individual will experience severe difficulties in everyday communication and social participation; therefore believes that the Government's criteria for assessing compensation for deafened veterans is failing to deliver sufficient recognition for those who have made great sacrifices for their country; and therefore joins RNID and ex-service organisations in calling upon the Government to lower the qualifying level of hearing loss in order to ensure that all those who have served in the armed forces are compensated appropriately for any disability, and that those currently serving their country are not let down when their service ends.]

Every week, a No. 10 briefing takes place after Prime Minister's questions. As an innovation, will the Leader of the House allow something similar to happen in the House? He could explain what some of the Prime Minister's replies mean. He could explain why in two consecutive weeks the Prime Minister completely contradicted the Paymaster General on tax credits; why, until *Hansard* helpfully amended it, he said that there was no question of moving to a compulsory identity card; and what he meant by saying that he wanted to scrap rather than reform the common agricultural policy.

May we have a debate on university science courses? Since 1997, one in three physics courses have closed. Sir Howard Newby, the chief executive of the Higher Education Funding Council, has, in a masterpiece of complacency, dismissed physics, maths and chemistry as 19th-century disciplines. How myopic can it be to lose this country's science base through a lack of university teaching?

Lastly, could we have a debate on the subject of Home Office procurement of IT and databases, of which there has been some discussion this week? I remind the Leader of the House of section 39 of the Firearms (Amendment) Act 1997, which required the establishment of a national firearms register. Eight years later, after the expenditure of £5.4 million, we have no working national firearms register. What does that tell us about the ability of the Home Office to run a sensible database?

Mr. Hoon: As ever, I am grateful to the hon. Gentleman for the long list of subjects that he would like debated. I begin, however, by joining him in paying tribute to the Royal Navy—particularly to the work of the First Sea Lord, who was responsible for organising the tremendous event on Tuesday, which I had the privilege of joining, albeit at a distance and consistent with my responsibility to the House in returning to vote at 10 o'clock on Tuesday evening, as I forecast would be possible when I was asked about the matter recently.

I recognise the importance of the House being able to debate those who have suffered not only hearing loss but other injuries as a result of their service in the armed forces. The hon. Gentleman will know that there are frequent defence debates, and I am sure that he will have the opportunity to raise such issues on one of those occasions.

My right hon. Friend the Prime Minister is of course always a model of absolute clarity, and I would not expect to have any occasion or requirement to seek to clarify his observations in any way. He has never contradicted the words of my right hon. Friend the Paymaster General, nor she his. The Government are always a model of clarity on these occasions.

I agree with the hon. Gentleman about the importance of science. I have indicated on previous occasions the importance that the Government attach to scientific research and the necessity of our maintaining a strong science base so that the United Kingdom can continue to compete successfully in an increasingly global economy.

As for the Home Office and databases, the hon. Gentleman rightly refers to the recent debate in which that was an issue. It has arisen on other occasions. I hope that the Liberal Democrats are not adopting the conservative—with a small c—tendency of suggesting that because there are sometimes problems in the development of any computer programme we should not invest in computer technology at all. That seems a rather short-sighted view from a party that is supposed

[Mr. Hoon]

to be radical and to believe in change—but perhaps the Liberal Democrats are adopting a more conservative philosophy.

Mr. David Winnick (Walsall, North) (Lab): May I raise with the Leader of the House the appalling pay and conditions of the cleaners who, day after day, clean the House of Commons? Should not we be concerned that they receive only £5 an hour, no sick pay, no pension, and very limited holidays, and contrast all that with what Ministers, Back Benchers and Officers of the House get? Is not there a very strong case for telling the contractors—I do not know why we have contractors in any case—that it is totally unacceptable and that conditions must quickly improve? We are Labour MPs, and we should not tolerate this situation.

Mr. Hoon: I am grateful to my hon. Friend for raising the issue. The position is slightly more complex than he has set out, in that those who are full-time employees of the House are clearly properly remunerated. There is an issue in relation to the rate of pay for contractors, which I can assure him is being examined as a matter of some urgency and with appropriate seriousness. I hope that he will accept that I should not comment further at this stage on those negotiations

Rev. Ian Paisley (North Antrim) (DUP): In Northern Ireland, the Chief Constable has just announced the closure of 17 police stations. The marching season in Northern Ireland is always a solemn and serious time, and that news has come as a blow to everyone. Will the Leader of the House impress on his right hon. Friend the Secretary of State for Northern Ireland the need to come to the House and make a statement on this disturbing matter?

Mr. Hoon: I have had the privilege of meeting the Chief Constable of Northern Ireland on a number of occasions, and I know how seriously he views his responsibilities and recognises how important it is to provide appropriate security for the people of Northern Ireland. I also know that operational matters are for chief constables. Certainly, however, I shall ensure that my right hon. Friend the Secretary of State for Northern Ireland is made aware of the hon. Gentleman's concern on this question.

Mr. Andrew Love (Edmonton) (Lab/Co-op): My right hon. Friend will be aware that next Wednesday, 6 July, the International Olympic Committee will take its decision on the siting of the 2012 Olympic games. I am sure that Members in all parts of the House will want to wish London's bid well, as it is good for London and the United Kingdom. I am sure that there will be lots of celebrations when we win. Will he celebrate in the House by introducing the Olympics Bill before the summer recess?

Mr. Dennis Skinner (Bolsover) (Lab): Do not tempt fate yet.

Mr. Hoon: I am warned by my hon. Friend the Member for Bolsover (Mr. Skinner) from a sedentary position that I should not tempt fate, and he is right that we should not anticipate the result of the important decision to be announced next Wednesday in Singapore. I would like to pay tribute to my right hon. Friend the Secretary of State for Culture, Media and Sport, who has led the bid, and to the noble Lord Coe, who has worked extraordinarily hard to put the United Kingdom in a position in which the games could come to London. Obviously, every last effort has been made and will continue to be made before the result is announced. If the bid is successful, the Government are determined to bring the Bill before the House as soon as possible to allow the necessary work to take place to host a hugely successful games in London in 2012.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Can we please have a debate entitled, "Can we believe a word that the Prime Minister ever says about emissions?" The Leader of the House will no doubt have noticed that the Prime Minister is in the habit of causing enormous traffic jams, and emissions, in the vicinity of the Houses of Parliament, owing to his usual arrogance in insisting on being swept through the traffic. Would it not be a better example, which might cause us to believe what he says on the subject, were he to walk from Downing street and Whitehall, in the course of which he might meet the odd real person?

Mr. Hoon: I am sorry that the right hon. Gentleman takes that view. He will know, as I know, that the Metropolitan police, who are responsible for security in the immediate vicinity of the House, have always protected Prime Ministers in the light of the security threat then prevailing. It is obviously important, as has always been made clear, that right hon. and hon. Members should have the absolute right to come to proceedings of the House, and I assure him that I will investigate whether there have been circumstances in which their access has been unreasonably prevented.

Miss Anne Begg (Aberdeen, South) (Lab): While there has been a lot of controversy about the BBC weather forecast and the change in the graphics, the Leader of the House may not be aware that some restructuring is proposed for the Met Office, which might include the closure of the Aberdeen Met Office. Aberdeen has built up world expertise, particularly in marine forecasting, and since that office took over the shipping forecast last year, accuracy has increased. Obviously, good, accurate weather forecasts are important for fishing and the offshore oil and gas industry. Will he find time to debate the work of the Met Office some time soon?

Mr. Hoon: As I have told the House before, one of the more unlikely responsibilities of the Secretary of State for Defence is responsibility for the Met Office. I had the privilege of visiting its facilities on a number of occasions, notably its new facility in Exeter—a magnificent new building where its excellent work continues. I will, however, ensure that my hon. Friend's anxieties about the Aberdeen facility are communicated to my right hon. Friend the Secretary of State for Defence, who will no doubt take a particular and local interest.

Chris Huhne (Eastleigh) (LD): Could time be made for us to debate a serious matter affecting a number of my constituents who have been employed at the APW plant in Chandlers Ford? Their pension scheme recently suffered a substantial reduction. In some cases pensionable benefit has been cut by as much as 77 per cent., and sadly the scheme falls between the financial assistance scheme and the pension protection fund. I gather that a number of other Members' constituents are subject to schemes that are in the same category. I think it important for us to have time to discuss the problem, and I think that the Leader of the House should convey to the Secretary of State for Work and Pensions the seriousness with which we view it.

Mr. Hoon: The Government have of course addressed the major problems arising from shortfalls in pension schemes. There will always be schemes that fall outside the provision that has been made. I am sure that the commission established by my right hon. Friend the Secretary of State for Work and Pensions will be able to examine the circumstances, but obviously we must provide a proper decent pension for all members of society, and that is the Government's ambition.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Tickets for the Australian test match at Edgbaston in early August are currently trading at about twice their face value on the internet. Increasing use of the internet makes it difficult for sport organisations to control the resale of tickets in the interests of public order. The Football Association currently has power to prohibit the resale of tickets in the case of designated matches. Is it not time we gave similar powers to those in charge of cricket and rugby matches, especially as, if the London bid succeeds, we shall have to change legislation this year in any case?

Mr. Hoon: That important issue has arisen in connection with a number of prominent events lately. It causes a great deal of irritation, aggravation and anger to those with a legitimate interest in a sport or event who are unable to secure tickets at a fair and reasonable price. I assure my hon. Friend that I will take it up with my right hon. Friend the Secretary of State for Culture, Media and Sport.

Sir Patrick Cormack (South Staffordshire) (Con): I thank the right hon. Gentleman for his kind remarks earlier. If I am fortunate enough to obtain leave of the House to introduce a Bill to amend the Representation of the People Act in respect of deceased candidates, will he meet me, and sponsors from all the major parties in the House, to discuss the framing of a Bill that will be acceptable and can be enacted quickly?

Mr. Hoon: I should be delighted to meet the hon. Gentleman to discuss the Bill, although the matter is not as straightforward as has sometimes been suggested. Clearly it will be in the interests of the political parties represented at any given election to have the opportunity of putting up a candidate. The hon. Gentleman did, of course, have the privilege of spending even more time in a beautiful part of the country before his recent election. Now that he is back with us, I should, as I say, be delighted to meet him to discuss his proposal.

Mike Gapes (Ilford, South) (Lab/Co-op): May I draw the right hon. Gentleman's attention to early-day motion 314?

[That this House welcomes the Crossrail project as an opportunity to deliver crucial economic and transport benefits to the nation that must not be missed; notes that Crossrail's business case is a strong one and that Crossrail enjoys overwhelming support from business, the unions and the public; notes, in addition to many transport and regeneration bodies, recent research by the Centre for Economic and Business Research indicating that Crossrail will add £23.7 billion to the UK's Gross Domestic Product by 2023 and support thousands of jobs in manufacturing and services in every region that would not otherwise exist; calls for the Crossrail Bill, without which the scheme cannot be built, be considered as a top priority; looks forward to a constructive debate on the issue of funding; celebrates the hard work and expertise of those responsible for developing the scheme; pledges to scrutinise the effect of the construction on the different communities along the line; and calls on the Government to bring forward the Second Reading of the Crossrail Bill and do all it can to make the Crossrail scheme and its benefits a reality to the public at the earliest opportunity.]

When will we debate Second Reading of the Crossrail Bill? First Reading took place in the last Parliament, and the matter is of some importance not just to my constituents but to many other Members who support Crossrail in the all-party group on the subject.

Mr. Hoon: My hon. Friend is right to raise that important issue. I know that my right hon. Friend the Secretary of State for Transport is keen to see progress, as are the Government, and I realise that the issue is vital not just for my hon. Friend's constituents but for those of Members throughout the capital. At this stage all I can say is that we will debate Second Reading soon.

Mr. John Greenway (Ryedale) (Con): When can we have a full day's debate in Government time on the state of our agriculture industry and reform of the common agricultural policy—about which the Government are not clear, despite what the right hon. Gentleman said in an earlier exchange—the shambolic introduction of the single farm payment, and the many hill farmers in my constituency whose livelihoods have been decimated by recent flooding? It may be the case that we shall have Environment, Food and Rural Affairs questions next week, but it is about time we had a full day's debate in Government time on these important matters.

Mr. Hoon: It is important for us, on behalf of the United Kingdom taxpayer but also on behalf of United Kingdom farmers, to continue the process of reforming the CAP. That is in the interest of UK farming. The hon. Gentleman will certainly have an opportunity to debate the issues, not only in the context of the European Union during the UK's presidency, but as he said, at the forthcoming DEFRA questions.

John Robertson (Glasgow, North-West) (Lab): May I draw my right hon. Friend's attention to early-day motion 417?

[That this House expresses its concern that today nearly half of all cash machines charge a fee for withdrawal; notes that five years ago almost all cash

[John Robertson]

machines in the UK were free, and believes that this trend represents a real and current threat to the UK's network of free cash machines; recognises that if current trends continue, fee-charging machines will outnumber free ones by the end of this year; further notes that those on low incomes are hit disproportionately hard by charges and that the loss of free ATMs could cost UK consumers £2 billion per annum in charges; welcomes Nationwide Building Society's Free ATM campaign; and calls on the Government to track and publish trends on the growth of fee-charging ATMs to ensure customers are not routinely charged to access their own money.]

This is the third occasion on which I have raised the subject of ATMs that charge a fee, and the third occasion on which I ask for a statement and possibly a debate. Nearly 50 per cent. of ATMs now charge about £2 a time, and the charge is directed at those who can least afford it, the elderly and people in remote areas. Does my right hon. Friend not agree that it constitutes a tax on those people, and is it not time we did something about it?

Mr. Hoon: I know that this irritates people throughout the country. It certainly irritates me. I use my ability as a consumer to select only ATMs that do not invite me to pay for the privilege of gaining access to my own money, but I realise that ATMs are sometimes located in remote places to provide facilities that would not otherwise be there, and I understand why in those circumstances banks contemplate charging. Nevertheless, the issue is important and I know that Members will raise it with my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Nigel Dodds (Belfast, North) (DUP): May we have a debate as soon as possible, in Government time, on fuel poverty in Northern Ireland? It is a very serious issue. Recent figures that I have obtained reveal that nearly 55,000 households in Northern Ireland where there are children are in fuel poverty, as are some 102,000 households in which the head of household is over 60. Those are atrocious figures in this day and age. Good work has been done with the introduction of the warm homes scheme—introduced by Democratic Unionist Ministers in the last Northern Ireland Assembly—but a debate would enable us to consider what more can be done. One possibility is the introduction of a free central heating system, which has already happened in Scotland, to tackle the serious problem of deaths from cold-related illnesses as a result of fuel poverty.

Mr. Hoon: The hon. Gentleman is right. It is an important issue, and I share his concern. I am a little anxious about his statistics, given the significant sums that the Government have provided for, in particular, those of retirement age: £200 or £300 a year, as appropriate. Those large amounts should contribute to the costs of securing a warm home. I will, however, invite my right hon. Friend the Secretary of State for Northern Ireland to respond to the hon. Gentleman's statistics and the concern that he has expressed.

Dr. Brian Iddon (Bolton, South-East) (Lab): Is my right hon. Friend aware that yesterday our hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) secured a Westminster Hall debate on council housing? Is he aware that so many Members turned up wanting to speak that it was impossible to hear all their views? The debate followed the publication of two reports, from the Audit Commission and from the parliamentary council housing group. In the light of those facts, and of the fact that we are due to receive a report on the future financing of arm's-length management organisations, and of the strength of feeling not just in the House but throughout the country about the future of council housing, is it not time we were allowed to debate the subject in the Chamber, in Government time?

Mr. Hoon: I am grateful to my hon. Friend for that question. If there were such a debate, he would doubtless recognise the enormous progress that has been made, not least in the provision of decent housing. Some 1 million homes have been improved under this Government, thereby enormously improving the circumstances of people who live in publicly owned accommodation. The Government—and, I am sure, my hon. Friend—are rightly proud of that.

Sir George Young (North-West Hampshire) (Con): The Leader of the House has announced a debate on Wednesday week on the setting up of Select Committees, which will be too late to enable the Liaison Committee to get up and running, and to meet the Prime Minister before the House rises. However, such Committees can meet in August. Will the Leader of the House inquire as to the Prime Minister's availability during that month, and if he draws a blank, may we have an absolute assurance that the Prime Minister will meet the Liaison Committee in the autumn, and that we will not miss the summer Session entirely?

Mr. Hoon: As I have made clear on previous occasions, the Prime Minister is keen to meet the Liaison Committee at the earliest opportunity. Whether every single member of it will be equally available in August is an issue that the right hon. Gentleman, as their shop steward, might wish to investigate. I await with interest the details with which he can provide me, but I can assure him that the Prime Minister is keen to meet the Liaison Committee, as and when it is established.

Mr. Gordon Prentice (Pendle) (Lab): The Prime Minister told us yesterday that the Government will listen to Members before making any decisions on replacing Trident. I realise that we will have a debate on defence in the world on 7 July, but is there not a powerful case for having in due course a focused debate on the Trident nuclear deterrent, with background papers provided by the Government, and a vote on whether we want to replace it?

Mr. Hoon: My hon. Friend slyly dismisses the prospect of next week's debate on defence in the world, but it is surely a perfect opportunity for him to spend a Thursday afternoon in the House debating these vital matters. I look forward to reading his speech in detail, although I anticipate that I will not be surprised by its content. Nevertheless, that debate will be the start of the

discussion of what my right hon. Friend the Prime Minister has made clear is an important issue for the United Kingdom, and for the future of its armed forces.

Peter Luff (Mid-Worcestershire) (Con): It is clear from today's business statement that the pressure on the Government's legislative timetable is not huge; otherwise, there would not be so many Opposition Supply days being granted. During another very popular debate—I am grateful to you for granting it, Mr. Speaker—on the Licensing Act 2003 in Westminster Hall a couple of weeks ago, real concern was expressed about that Act's impact on village halls and shops. Moreover, earlier this week I met the Minister responsible for this issue to discuss the Act's impact on circuses, and the point was made that there is a lack of parliamentary time for amending legislation. May we therefore use this clearly relaxed period in the Government's timetable to produce a Bill that commands consensus throughout the House, and which amends a well-meaning Act to ensure that it does not have a devastating impact on certain well-loved English institutions?

Mr. Hoon: We cannot win, can we? If there had been no Opposition days, the hon. Gentleman would have complained vociferously. However, because we are fulfilling our obligation to allow proper debate in the House—I assume that the hon. Gentleman is fairly keen on that—by providing such days, we are told that the situation must therefore be relaxed. If he visited those in my office responsible for organising the legislative programme, he would discover that they are far from relaxed. Nevertheless, he raises an important point about the issue of licensing, which I have addressed before. The Government are keen to have licensing arrangements that allow village halls, parish halls and other very important parts of our rural communities to secure licences much more easily and speedily, and more generally, than in the past.

Mr. John Denham (Southampton, Itchen) (Lab): Will my right hon. Friend speak personally to the Secretary of State for Work and Pensions and stress the desire in all parts of the House for an early debate on, and early action on, the tiny number of pension schemes wound up last year that fall between the financial assistance scheme and the Pension Protection Fund? South Hampshire-based APW's scheme has devastated the lives of many people approaching retirement, or who have retired in the past few months. Those pensioners will not go away and nor will the MPs who represent them. It would be good to have some early action on this issue.

Mr. Hoon: My right hon. Friend has been assiduous in raising this issue. As I said earlier, I will ensure that my right hon. Friend the Secretary of State for Work and Pensions looks carefully at the observations that have been made.

Sir Nicholas Winterton (Macclesfield) (Con): I want to make it clear to the hon. Member for Bolton, South-East (Dr. Iddon) that I fully support his request for a debate on the importance of local authorities retaining responsibility for the provision of council housing. The hon. Gentleman is coming to my constituency to address a "tenants against transfer" meeting, at which I shall also be present. I want also to weigh in with my support for the call by the shadow Leader of the House, my hon. Friend the Member for Epsom and Ewell (Chris Grayling), for a debate on Zimbabwe, in Government time, in this Chamber. Zimbabwe could affect Africa's entire future progress and prosperity, and it will feature in the G8. Until we can get a solution to the barbaric and brutal behaviour of the tyrant Robert Mugabe, we will be unable to make the progress on debt relief and poverty relief in Africa that we all want to see.

Mr. Hoon: On council housing, what is important about publicly funded accommodation is not necessarily who owns or administers it, but its quality and standard. The hon. Gentleman is a fair man, and he will accept that there has been a huge improvement since 1997 in the quality of available public accommodation. As I said earlier, some 1 million homes have been improved to an acceptable standard. I have made it clear how seriously my right hon. Friend the Foreign Secretary—he has arrived, on cue—views the situation in Zimbabwe, and how energetically the Government have been working to make appropriate representations. My right hon. Friend will have heard the hon. Gentleman's observations on the importance of a future statement or debate on this issue.

Mr. David Chaytor (Bury, North) (Lab): The House is due to rise on 21 July, and the Office of the Deputy Prime Minister could decide to make its statement on the future of the neighbourhood renewal fund before the beginning of the recess. In that case, will my right hon. Friend find time for a debate on urban regeneration? The future of the neighbourhood renewal fund is vital to those constituencies that contain wards with the severest levels of deprivation. It is of particular importance to local authorities such as mine, which were previously denied access to the fund but now, because of the latest data on deprivation, published in last year's index of multiple deprivation, have a much stronger case for eligibility. Will my right hon. Friend find time to debate this issue, and is it not so serious that we should have an annual debate on the future of our cities and urban regeneration?

Mr. Hoon: My hon. Friend raises an important issue. It is of acute interest to my constituents, so I will be following it very carefully. But if he will allow me, it would seem appropriate to respond to his substantive point once the future of the neighbourhood renewal fund has been decided.

Bob Russell (Colchester) (LD): I wonder whether the Leader of the House can find time to debate the growing impact of quangos on our local communities. I draw his attention to early-day motions 340 and 423, in which English Heritage and the Arts Council of England are featured, along with the East of England Development Company.

[That this House places great importance on the protection of Sites of Scheduled Ancient Monuments; believes that sites so designated should not be built on; is alarmed that some developers and public bodies seek to circumvent the scheduling, including pressurising English

[Bob Russell]

Heritage to grant consents to enable developments to take place; calls on English Heritage to resist and to publicise every occasion when such pressure is attempted; urges the Government to publish an annual register giving details of every application made for consents to develop Sites of Scheduled Ancient Monuments, and the decision made in each case; and further urges the Government to introduce legislation so that in cases where there is objection to proposed development of a Site of Scheduled Ancient Monument there is a public inquiry.]

Such quangos are taking decisions that affect communities, and residents have no say and no way of challenging those decisions. The situation is made worse when quangos are in league with councils. They are in league with Tory-controlled Colchester borough council, which is manipulating the planning system by submitting planning applications on which it then decides. The community has been disenfranchised. Surely it is time that we had a debate on the role of quangos in local life today.

Mr. Hoon: The hon. Gentleman has the facility, which I have noticed in the past, of making what are perfectly harmless and innocuous organisations—they are often staffed by volunteers and others, who give of their time freely—distinctly sinister. I can understand his concern when they are alleged to be in league with the Conservative-run councils, although I should perhaps reflect on that issue on a future occasion. It is vital that we recognise the enormously important work that such organisations do. Simply saying that they are quangos does not make them somehow sinister, or lacking in merit.

Mr. Simon Burns (West Chelmsford) (Con): Will the Leader of the House arrange for the Home Office to issue a statement of its consideration on the way in which the police issue fixed penalty fines? That would give the Home Office the opportunity to consider a case that occurred in my constituency recently where a young lady accused a young man, falsely and maliciously, of rape. After wasting a considerable amount of both police and medical experts' time, she admitted that her claim was malicious and false, yet her only penalty—hardly likely to deter others from making similarly obnoxious claims—was an £80 fixed penalty ticket imposed by Essex police.

Mr. Hoon: The hon. Gentleman has made his point effectively, but I do not think that it is appropriate for me to comment further on the details of a particular case.

European Union

12.10 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): With permission, Mr Speaker, I should like to make a statement on the European Union. Earlier today, I published a White Paper on prospects for the European Union covering the next six months when the United Kingdom will hold the presidency. Copies are available in the Vote Office.

Let me first comment on the current situation in the EU, before coming to the priorities of our presidency. The EU's historic success is centred on three major achievements. It has cemented peace on a continent whose history has been one of rivalry and bloody conflict. It has helped to heal the divisions of the cold war and to entrench liberal democratic institutions in countries emerging from dictatorship. It has created the world's largest international single market of 450 million consumers. All that has brought greater prosperity to businesses and citizens across Europe, while safeguarding the strong attachment to social justice that is common to all Europe's differing economic models. The United Kingdom has benefited greatly from this unique collaboration between nations.

Yet the EU must adapt both to survive and to prosper in a world quite changed from when it was founded some 50 years ago. It needs, first, better to respond to the sense among European citizens that the EU is remote from the concerns of their daily lives. That was brought into sharp relief by the no votes on the EU constitution by two of its founder members. Compounding that sense of unease is the fact that Europe's economies face greatly increased global competition. Soon, 50 per cent. of all manufacturing exports will come from developing countries. China's overseas trade is doubling every three years and China and India between them are producing 4 million graduates a year, competing with European firms in the highest-skilled sectors.

The EU must deal with such competition by becoming more dynamic and by investing more in training and innovation. It has to tackle more effectively new threats to our security from terrorism, proliferation and international crime and to respond to the moral and political imperative of improving living standards and well-being in the world's poorest nations.

Europe's nations are now beginning an important debate on meeting those challenges. As my right hon. Friend the Prime Minister said in Brussels last week, the United Kingdom as presidency will seek to conduct that debate in an open and inclusive way, putting our own views strongly, but respectful of the views of others.

Alongside the wider questions of the EU's future direction and priorities, there is much specific business to be done during our presidency. Let me take four key areas of the agenda in turn. The first is future financing. As the House is well aware, the European Council could not reach agreement two weeks ago on the EU's next "Financial Perspective", its revenue-raising and spending plans for 2007–2013. For five member states, including the UK, the proposals then on the table were unacceptable and other member states also had difficulties with them.

Discussions on future financing will continue under the UK's presidency. Any new financial perspective must, at the very least, set out a process that leads to a

more rational budget, shaping the second half of the perspective up to 2013. We recognise our responsibilities as EU presidency and we will work hard to reach agreement on future financing by the end of the year.

Secondly, there is economic reform. At issue here is not a choice between prosperity or social justice, but what combination of policies can best deliver prosperity and social justice in today's European Union. In that context, we will continue to work for more effective European regulation. The EU will launch in October a major new programme to reduce the volume and complexity of EU legislation in order to ease the burden on business. We will also be looking to improve the policy-making processes with better consultation and impact assessments.

Meanwhile, we will pursue discussions on the services directive. We will continue work on financial services and on resolving the difficulties over the working time directive in a way that preserves the freedom of individuals to work the hours they choose and that maintains the Government's ability to deliver high-quality health and public services. We will also pursue discussions on the review of the EU's sustainable development strategy.

Thirdly, there is external relations. Over the next six months, we will chair EU summits with India, China, Russia, Ukraine and Canada, and host a summit jointly with Spain to mark the 10th anniversary of the Euromed process. We will pursue EU work on key foreign policy issues such as the middle east peace process, Iran and EU support for Iraq. The UK will represent the EU at the United Nations millennium review summit in September and follow up Europe's welcome new commitments on increasing aid and on developing a stronger action plan for Africa. We will also be pursuing progress on climate change.

Mr. Speaker, freer and fairer world trade offers major benefits, not least to Africa. As presidency, and with the European Commission, we will be steering preparations within the EU for this December's meeting of the World Trade Organisation in Hong Kong. Linked to that objective, we will also aim to conclude the discussions on modernising the EU's sugar regime—an important part of the continuing reform of the common agricultural policy.

The fourth key area of work for our presidency is pursuing the EU's commitments on enlargement. Bulgaria and Romania signed a joint accession treaty with the EU on 25 April this year and are scheduled to join in January 2007. Both still have much to do to implement the commitments that they have made and the European Commission will report on their readiness this autumn.

Last December, the EU agreed to open accession negotiations with Turkey on 3 October this year—a decision that was reconfirmed by the European Council two weeks ago. Turkish membership of the European Union is a controversial issue for public opinion in parts of Europe, but the British Government remain strongly committed to Turkey joining the EU and I believe that we can draw on the support of hon. Members on both sides of the House. The European Commission yesterday published a draft framework for Turkey's accession negotiations. The EU and Turkey alike stand to gain greatly from a democratic and prosperous Turkey anchored in Europe and from a demonstration that Islam is compatible with the values of liberal democracy, which form the bedrock of the European Union.

The EU also stands ready to open negotiations with Croatia, provided that it co-operates fully with the International Criminal Tribunal for the former Yugoslavia. We strongly support the membership aspirations of the other countries of the western Balkans, but they must, like all other EU applicants, meet the necessary requirements.

The White Paper sets out the responsibilities involved in holding the EU presidency and a calendar of the main meetings. Alongside the formal meetings, there will be at least 12 informal meetings of EU Ministers, and many other conferences, meetings and events will take place throughout the UK. Today's White Paper, like those before it, is aimed at providing information and material for public and parliamentary debate on the EU . The House will, as usual, have regular opportunities throughout our presidency to discuss the issues and the European Union as a whole.

The European Union remains central to the UK's prosperity and to its influence in the world. Throughout our presidency and beyond, the Government will maintain Britain's place as a leading European power, helping to shape the EU's future direction in our interests and in the interests of the European Union as a whole.

Dr. Liam Fox (Woodspring) (Con): I am grateful to the Foreign Secretary for his statement and for giving us a copy in advance.

The rejection of the constitution by the French and Dutch voters presented the leaders of the European Union with a chance genuinely to reform how Europe works. This statement today was the British Government's chance to show leadership in that debate.

There are, of course, things in the document that we welcome, such as the pursuit of the services directive, the accession of Bulgaria and Romania, and the talks that have begun with Turkey. We also welcome the process of bringing the Balkan states closer to the EU. However, this presidency was the chance to start real reform. Real reform would mean restructuring existing institutions and changing the distribution of powers. That would include bringing powers back from Brussels to the people of Europe.

Real reform would also mean a radical overhaul of the common agricultural policy, and an end to the assumption that the budget could move only in an upward direction. Real reform requires substance: in contrast, the prospectus set out by the Foreign Secretary is full of rhetoric, contradictions and platitudes. Yet again, the Government are trying to breathe life into the moribund Lisbon agenda. When will they realise that, although the EU can exacerbate economic problems—for example, through the social chapter and over regulation—real reform in the European economy can occur only when member states adopt the sort of supply-side reforms that Conservative Governments in the 1980s introduced in the UK? The Foreign Secretary fought those reforms tooth and nail.

[Dr. Liam Fox]

It is not better regulation that Europe requires, but less regulation. What do we get in the document? Paragraph 26 states:

"The Commission has requested that Member States draft a brief Lisbon National Reform Programme . . . This will be a high-level political document identifying key national actions to secure progress towards Lisbon objectives. These Programmes will be subject to regular peer review—so that all Member States can work together to share best practice."

What does all that mean? Does it mean that our economic performance will be reviewed by those continental member states with 19 million unemployed? Perhaps the Prime Minister looks forward to his pep talk from President Chirac, but we know already what best practice is, and we know what works—lower taxes, and less regulation, legislation and government.

The Foreign Secretary mentioned climate change, and the document's rhetoric continues, stating:

"Urgent action is needed to tackle climate change at a global level. National or even regional action . . . will not be sufficient."

He can say that again, because carbon dioxide emissions in this country have increased since the Government came to power. The document is all talk and posturing.

What about the CAP reform to which the Prime Minister has so recently—and conveniently—been converted? Only the sugar regime gets a mention. So for all the hype we get no idea about the Government's proposals. Do they want to scrap the CAP, or simply move to a rules-based system that is compatible with the World Trade Organisation? Or is it to be a land-management, without production support? Where are the substance and the detail? How much should be funded by national Governments, and how much by the EU, for example?

The position on the rebate is also unclear. Is it on the table, or not? If it is, what level of reform would trigger its discussion?

On foreign policy, we are treated to platitudes. On Zimbabwe, the document states:

"The EU will continue . . . its policy of pressure on the Government of Zimbabwe to respect good governance, the rule of law and human rights."

Is that all that the Government or the EU can say? Is that what passes for leadership, at a time when the Mugabe regime has all but declared war on its own population? Is that the best that our Government can manage? We must do more to help those who have been left cold, hungry and destitute by a vicious regime.

On China, the document states:

"Member States will continue the review of the EU Arms Embargo on China."

Again, where is the leadership? Does the Foreign Secretary not understand the profound damage that dropping the embargo could do to British defence interests, or American strategic interests, in the Pacific rim?

Far too much of the document is unambitious, complacent, lowest-common-denominator Eurospeak. We have to ask several questions. Are our Government serious about budget reforms? No, because those reforms will end up costing British taxpayers more, not less. Are they serious about economic reform? No, because all we get is a reheating of Lisbon, with peer review and best practice. Are they serious about institutional reform? No, because instead of powers coming back from Brussels to member states, we get more new bodies and powers. I am sure that the House will be delighted to know that, on top of the bodies that we have at the moment, the proposals mean that we will get the fundamental rights agency and the European gender institute.

I am afraid that today's document reads like a cut-and-paste exercise. A few new paragraphs make it sound as though the EU has taken notice of what happened in France and the Netherlands, but nothing has really changed. Was the Prime Minister right to say that the constitution represented a sensible set of rules for the future, or was Germany's Europe Minister right to describe it as the birth certificate for the united states of Europe?

Despite all the talk, all we have had today is the same old centralising direction, with a bit of new rhetoric. This is a momentous time for the EU. For all their talk, our Government have failed in the task of leadership. What a wasted opportunity.

Mr. Straw: The hon. Member for Woodspring (Dr. Fox) was obviously unaware of last Thursday's brilliant speech by my right hon. Friend the Prime Minister. It was written up across Europe as providing the leadership for which Europe had waited for very many years. That is also reflected in this document.

The phrase "all talk and posturing" is a very good description of the Opposition spokesman's contribution. He says that the answer to Europe's problems is institutional change, for example in the competences described in the treaty. If we followed what the hon. Member for Woodspring proposes, we would wait years and years for any change whatsoever. The fundamental flaw—not to say deceit—in the Conservative party's position is the insinuation that all that needs to be done to secure the institutional change is for Opposition Front-Bench Members to demand it, and that it will then happen. What the Opposition always fail to notice—and they failed to notice it during the general election campaign—is that such institutional change requires the agreement of 25 independent member states. They have never been able to name even one other member state that supports their position on the EU.

The hon. Member for Woodspring knows that it was hugely difficult to get agreement on the constitutional treaty at the intergovernmental conference, and that that treaty has since been rejected by two member states. If he is interested in staying in the EU and making it operate better, he and his party must apply themselves to the practical realities involved in making the EU work better today. That is exactly what the Government are seeking to do.

On the question of economic reform, a good model does exist—the new Labour model, which we have pursued over the past eight years. That model has cut unemployment by hundreds of thousands from the levels left by the previous Conservative Government. The Labour model extends the idea of social responsibility across the UK, and is now seen as a beacon in the rest of Europe. Yes, progress on the Lisbon agenda has been very disappointing elsewhere in Europe, but the UK has met its targets under that agenda.

The hon. Member for Woodspring spoke about better regulation. Less regulation may be the answer in many areas, but regulation is needed in some others. For instance, Conservative Front-Bench Members have called for a level playing field in services. That does not require less European regulation; it requires more, but we must make sure that that regulation is effective. Therefore, the hon. Gentleman should not speak with a forked tongue and imply that better regulation is always less regulation.

As for CAP reform, the overall parameters have been set out already by my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs. We intend to pursue that matter in the course of this presidency.

Finally, the hon. Member for Woodspring asked about the rebate. Before the European Council two weeks ago, we made it clear that the rebate was wholly justified and that we would use the veto, if necessary. We did use the veto: as my right hon. Friend the Prime Minister pointed out at the press conference held in the small hours of 18 June, the rebate is an anomaly, but it is an anomaly on an anomaly. What we are seeking to do is address that anomaly on an anomaly, so that the case for the rebate withers away. Meanwhile, we will maintain our position.

That position was well spelled out in the other place—

"If the reason that gave rise to the need for the rebate—the nature of the budget and the common agricultural policy—were to change, the rebate would automatically disappear without any action."—[*Official Report, House of Lords* 21 June 2005; Vol. 672, c. 1550.]

That was the position as set out by the former Conservative Chancellor of the Exchequer, Nigel Lawson—now Lord Lawson. I agree with him, and it is more or less exactly our position.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the White Paper and the way in which the Government have allowed for debate in this House. The former members of the Foreign Affairs Committee had a meeting with Members of the European Parliament, and I welcome such initiatives for closer co-operation. I see in the White Paper a list of meetings and I urge my right hon. Friend to ensure that some of them are held in Birmingham. He may recall that such meetings in our last presidency were very successful.

On a more substantive point, the White Paper refers to the continuing negotiations on the arms embargo to China. I urge my right hon. Friend to make representations to his colleagues to be cautious about lifting the embargo, because the time is not right and it would send the wrong signals.

Mr. Straw: I am grateful to my hon. Friend for her welcome for the White Paper. On meetings in Birmingham—

Mr. Siôn Simon (Birmingham, Erdington) (Lab): Hear, hear.

Mr. Straw: There is obviously general approbation for that suggestion. I have a feeling that most of the locations for the meetings have now been determined, but I will raise the point with my right hon. and hon. Friends who are involved in such matters. During the last UK presidency, several meetings were held in Birmingham, including a justice and home affairs meeting.

On China, I understand the point that my hon. Friend makes. The EU may well reach conclusions on strengthening the code of conduct generally, but she is right to imply that there is now wider concern about the implications for the lifting of the embargo elsewhere in Europe and that has to be taken account of in any decisions that are made.

Mr. Nick Clegg (Sheffield, Hallam) (LD): First, I wish to apologise on behalf of my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), who is on a plane on his way to Washington DC to attend the parliamentary assembly meeting of the Organisation for Security and Co-operation in Europe.

Dr. Julian Lewis (New Forest, East) (Con): It's tough at the top.

Mr. Clegg: It is indeed.

I am grateful to the Foreign Secretary for the advance notice of the statement on the White Paper, much of which the Liberal Democrats agree with, as we did with large segments of the Prime Minister's widely reported speech to the European Parliament. However, as has been said before, in the European Union the trick is always to translate words into action. The EU has long been distinguished by a tradition of grandiloquence that is not always matched by concrete actions. To that end, I have three questions.

First, does the Foreign Secretary agree that it is essential that the Government's tone when they talk about reform of the EU is precise and does not appear hectoring or condescending? Does he agree that occasionally, especially when discussing the Government's economic record, an impression is sometimes given that we have all the answers and everybody else is in the doldrums, when—as no doubt he would wish to confirm—the superior economic performance of several other member states suggests that the reality is altogether more nuanced?

Secondly, given that support from the French Government is so essential to the success of the British presidency in securing progress on budget reform, reform of the common agricultural policy, opening enlargement talks with Turkey and progressing the services directive, what measures are being taken to ensure that Anglo-French bilateral relations are in a sufficiently healthy and robust state to deliver those items in the next six months?

Finally, given that reform of the CAP assumes a central if not totally dominant place in the ambitions of the Government in their forthcoming presidency, it is a little surprising to see that page 13 of the White Paper contains no more than five fairly short paragraphs on what that reform might involve. Given the essential need for providing further detail on what CAP reform would entail, will the Foreign Secretary give us an assurance

[Mr. Clegg]

that he would be prepared to come to the House at the earliest possible opportunity to explain specifically how it will be implemented in the years ahead?

Mr. Straw: First, on tone, the hon. Gentleman is right to argue that we should not, in his words, be hectoring or condescending. I do not believe that we are, nor do we insinuate that we exclusively have the answers to Europe's problems. However, we have been able to show, especially in the past eight years, that on economic and social policy we have many of the answers, but—I would add—so do several other countries, such as some of the Nordic countries, whose economies have outperformed the average. However, each European country has examples of very good practice in every area of policy and we need to draw on them, so we are not in the least exclusive about that.

Secondly, on bilateral relations with France, it is easy to write stories—often with substance—about the argument between France and the United Kingdom continuing, but underneath the headlines there is much co-operation with the Government of France, their representatives and the people of France. In my case, my relationships with the French Foreign Minister are good and also productive. On a range of dossiers, not least Iran, for example, we have to work together operationally to deliver a European foreign policy.

Finally, on reform of the CAP, the hon. Gentleman is right to say that the White Paper contains a summary only. We are talking about proposals that we would wish to see on the table in the midst of the financial perspective, and that requires consultation with colleagues and partners in the EU. The broad components of reform of the CAP are straightforward to describe. They include a reduction overall in the amount spent by the EU on agricultural support, a change in the method of support and an end to all export subsidies. There has been some progress in each of those areas under the existing financial perspective, but much greater progress has to be made on each of those, not least the issue of the elimination of export subsidies by the 2010 deadline that the EU set earlier.

Keith Vaz (Leicester, East) (Lab): I warmly welcome my right hon. Friend's statement and the priorities that he has set out today, as well as the statement made by my right hon. Friend the Minister for Europe yesterday about the enlargement process. My right hon. Friend the Foreign Secretary will know that when the Enlargement Commissioner published his report yesterday, he was lukewarm on the issue of Turkey's membership. Does my right hon. Friend agree that it is not just a case of opening negotiations with Turkey and supporting the negotiations beginning with Croatia, but of making the case for enlargement in the UK and throughout the EU?

Incidentally, according to the Foreign Office website, there will be a meeting in Birmingham, but I note that there will be no meeting in Leicester or Blackburn.

Mr. Straw: I am sorry about the absence of a meeting in Leicester. We will try to repair that in our next presidency—I give that solemn pledge—in 2018. It may even be later if Turkey and some Balkan countries become members. I am sure that my hon. Friend will still be a leading Member of Parliament, although I am not sure quite where I will be.

As for the important matter of Blackburn, we share and share alike there. Colleagues will remember that in the British presidency that began in January 1978, there was perhaps the most important meeting of the whole presidency held at the holy of holies, Ewood Park football ground, to discuss football hooliganism. It was a very successful meeting.

On Turkey, I do not think that Olli Rehn's report was lukewarm. Commissioner Rehn is continuing the excellent work of his predecessor, Günter Verheugen, but Rehn made it clear that there had been quite an argument inside the College of Commissioners, which reflected the controversial nature of Turkey's application. But, like my hon. Friend, and I believe that I speak for the whole House in saying this, we believe that Turkey's membership is of great importance not only to Turkey—the very process of membership has already led to major reforms there, and we must keep that process up—but to the European Union and the United Kingdom as a whole.

Mr. David Curry (Skipton and Ripon) (Con): If reforming agricultural policy means the elimination of export subsidies and the reduction of the overall costs, what did the Prime Minister mean yesterday when he spoke of getting rid of the CAP? Is it the Government's policy to renationalise agricultural policy?

Mr. Straw: The proposals for renationalisation or for co-decision are among those that have been suggested by other member states. Interestingly enough, those on co-decision were proposed by the Finns and, two days ago, in an interesting debate in the Dutch Parliament, there was support for the so-called renationalisation of CAP payments. We will listen to all the various proposals that are made. Our judgment is that what is key for the initial stage—we are talking about the forthcoming financial perspective—is that the amount spent on the CAP is progressively reduced. If there were a renationalisation—it is not one of the proposals that we make at the moment—it would have to take place in the context of a European regulatory framework because, otherwise, we could find that the renationalisation led to an increase in the subsidies, as in fact it has done in respect of two states that are outside the EU but inside Europe: Switzerland and Norway.

I tell colleagues who are less well-informed than the right hon. Gentleman that renationalisation of itself will not lead to a reduction in subsidy. By the way, I tell the hon. Member for Woodspring (Dr. Fox) that, if he believes that getting rid of all agricultural regulation across Europe is the way to deal with the subsidisation of European farmers, he needs to think again.

Dr. Fox: That is not what I said.

Mr. Straw: The hon. Gentleman said a moment ago that better regulation meant less regulation. He needs to think about that because such things are more complicated than he obviously thought this morning.

The other issues—there is no secret about this—relate to cutting the connection between support for rural areas and farmers and support for products and dealing with the interests of export subsidies.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. We have a very busy programme today and time is very limited, so I appeal for much shorter questions and, with respect, much shorter answers as well.

Chris Bryant (Rhondda) (Lab): The Foreign Secretary will know that the system of listed events, whereby different countries are allowed to determine which sporting events should be available on public service broadcasting and free-to-air services, depends on the television without frontiers directive, which is mentioned on page 11 of the document. Will the Government ensure that we adhere to and strengthen that directive, so that, for instance, we can see the Lions on tour on public service broadcasting?

Mr. Straw: I am expert on many things, but not on the fine print of the television without frontiers directive. However, I draw my hon. Friend's attention to one of the world's experts on the issue: my right hon. Friend the Secretary of State for Culture, Media and Sport.

Sir Patrick Cormack (South Staffordshire) (Con): In wishing the United Kingdom's presidency every success, may I ask the Foreign Secretary whether he will consider an initiative that will involve Members of Parliament from each national Parliament, as well as MEPs, bearing it in mind that it is our stated objective to reinforce our belief in a Europe of nation states?

Mr. Straw: First, may I express my personal welcome back to the hon. Gentleman and our collective sympathy for the awful predicament in which he found himself during the election?

Secondly, quite separately from this series of White Papers, as the hon. Gentleman will know, I made proposals to the House in respect of greater involvement by the House and the other place in all European business, and I very much hope that the House itself will now take them forward. We want to see much greater accountability to the House by the British Government and European institutions. The proposals are on the table. It is now a matter for hon. Members to make their decisions on them.

Mary Creagh (Wakefield) (Lab): My right hon. Friend will be aware that this June marked the 10th anniversary of the planned, premeditated genocide of 7,000 Muslim men and boys in Srebrenica. Can he reassure the House that he will use all the resources of the UK presidency to ensure that the perpetrators of that heinous bloodbath are brought to justice and stand trial, to make sure that justice is delivered to their grieving families?

Mr. Straw: Yes, I can. We in the United Kingdom have led a very tough approach in respect of co-operation by every Balkan state that was part of the former Yugoslavia with the chief prosecutor of the International Criminal Tribunal in The Hague precisely so that, whatever the ethnic origin of the perpetrators, they are all brought to justice. The House will also wish to know that, on 11 July, I shall visit Srebrenica to lead the European Union's commemorative service in that town.

Mr. Andrew Robathan (Blaby) (Con): The Foreign Secretary reveals that neither he nor the Government understand that the peoples of Europe—whether French, Dutch or British—do not like the direction in which the European Union is going and want it changed. My specific question is about agriculture. As a farmer who receives payments from the CAP, my personal opinion is that it should be scrapped. How much longer will we proceed with British taxpayers supporting tobacco production? British taxpayers pay to stop tobacco being smoked here, so why should they pay for tobacco to be produced in Greece and elsewhere?

Mr. Straw: On the latter point, the answer is that they should not. I agree with the hon. Gentleman. It is absurd that the European Union subsidises tobacco production. We want to see that changed, but to get change in the European Union normally requires the agreement of at least two thirds of the member states around the table and, sometimes, all of them. Yes, it is true that the message in referendums on the constitutional treaty in France and the Netherlands was that the public did not like the direction of Europe. That is the easy bit. The difficulty is that the public in those countries appear to want Europe to go in different and contradictory directions. That is not only why the Prime Minister set out his vision of the direction that Europe needs to take, but why we must ensure that we bring others with us. The way to do that is the way that we propose. The way that the Conservative Front-Bench team currently propose—treaty change, as if by magic—offers no future whatsoever.

Sir Stuart Bell (Middlesbrough) (Lab): The House will have heard with great interest the Foreign Secretary's statement. The programme that he has set out is, in fact, reasonable and likely to get majority support in the European Union, but can he assure the House that when we talk about Birmingham, Leicester and Blackburn—bringing the good news from Aix to Ghent—we will try to get the debate out into the country so that the huge benefits of the European Union can be understood by our people, so that they can give it greater support in the future than they have done in the past?

Mr. Straw: I hope that the wide variety of locations that we are using will help to bring across the value of the European Union; but, in the end, the European Union will be better appreciated when its delivery is better—so this is about the substance, not just about the form.

Rev. Ian Paisley (North Antrim) (DUP): When the Prime Minister returned from Europe, he made a statement in the House. I asked him a simple question about the CAP and what would happen. In his reply, he hinted that there could be a way whereby Governments

[Rev. Ian Paisley]

could interfere and pay subsidy to farmers. When we had another Question Time, I asked the Minister for Europe about that. He enlarged on the issue. Will the Government tell us now what is their policy on the issue, because it leaves farmers in a very peculiar and sad position? Farmers should know exactly what the Government will do on the issue.

Mr. Straw: The current arrangements for support of farmers were made by the European Council in October 2002 and they will stand until they are changed, which provides obvious reassurance. In any event, under our proposals, we are not talking about immediate change, but about changes that would take time and would be the subject of great discussion. As I told the House earlier, the key part of our proposal, indeed any proposal, to reform the CAP is to reduce its total size—its total burden on the budget—along with splitting the connection between payments and production and the elimination of export subsidies. There is debate in Europe about co-decision on the renationalisation of agricultural payments and we shall listen carefully to that. I know that the hon. Gentleman's constituents are interested in how much money they will receive in their pockets rather than the exact source from which it will come. In pursuing agricultural reform, we take account of the needs of the UK farming community, but we must also take into account the overall burden on the British and European taxpayer.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): My right hon. Friend's statement is a measured and appropriate response to events in Europe over the past four weeks. Does he agree that there are still major problems of management inefficiency in the system that will not disappear because of what happened in the Netherlands or France? During the British presidency will further attention be given to how the presidency operates so that we do not have the ridiculous system whereby one country holds it for six months every 13 years, with Leicester having a visit only in 2018?

Mr. Deputy Speaker: Mr. Elfyn Llwyd.

Mr. Straw: I am delighted, Mr. Deputy Speaker—

Hon. Members: Keep it short.

Mr. Straw: The answer to my hon. Friend is yes.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I perceive that you were desperate for my question, Mr. Deputy Speaker.

Although I appreciate the benefits of a Muslim country acceding to the EU, many of us are concerned about the unqualified support for the accession of Turkey, as it has an appalling human rights record, especially with regard to the suppression of the Kurdish people. May I draw the Foreign Secretary's attention to the withering judgment of the European Court of Human Rights last month in the case of Ocalan *v.* Turkey? Will he use his best offices to ensure that the Turkish Government comply with that judgment generally, and specifically that they adhere to the basic tenets of human rights with regard to the Kurdish people?

Mr. Straw: Our support is not unqualified, nor do the Government or people of Turkey want it to be unqualified, for the Erdogan Government are a reforming Government, content to see pressure for reform coming from outside Turkey as well as inside. We should applaud the phenomenal progress that the Government of Turkey have made in the past two years on human rights and on economic and social reform. The condition of qualification for membership is that that progress continues—I believe that it will.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What further steps will a strong Europe take to deal with terrorist groups such as Hamas and Hezbollah and their sponsors, Iran and Syria?

Mr. Straw: Although there is much further work that we can do to deal with terrorism, the position of the EU on it has strengthened, and there is great concern in the EU about the current position of Syria. I have arranged for that to be put on the agenda as a key item for the first meeting of Foreign Ministers that will be held in two weeks' time. Iran's support for terrorist organisations is one of the items constantly on the agenda in the negotiations that take place between France, Germany, the UK and Iran.

Chris Huhne (Eastleigh) (LD): Will the right hon. Gentleman confirm that, following the precedent of the Swedish presidency, it is a matter of discretion for the presidency as to whether Council of Ministers meetings are held openly, certainly when legislation is discussed? Will he make a commitment to the House that, under the British presidency, Council of Ministers meetings will be held openly when legislation is being discussed?

Mr. Straw: We intend to follow the best practice of previous presidencies.

Edward Miliband (Doncaster, North) (Lab): Does my right hon. Friend agree that during our presidency our message should be that where we seek economic flexibility we do so not at the price of fairness but as a route and accompaniment to it, and that we in the UK are building our own version of a social model, drawing on good practice in Europe and elsewhere? Finally, I should like to tell my right hon. Friend that Doncaster will welcome him during our presidency, or we will book for 2018.

Mr. Straw: I shall do my best to get to Doncaster before 2018. Meanwhile, I agree entirely with my hon. Friend.

Mr. John Greenway (Ryedale) (Con): Can the Foreign Secretary tell us whether he thinks that the high degree of co-operation with France to which he referred will genuinely lead to reform of the sugar regime to one in which, once and for all, French overproduction, which is largely the cause of the problem, is addressed? A much better document from the European Union was published last week. Will the Foreign Secretary ensure

that it is taken forward and that there is genuine decoupling of compensation from production, which did not happen in the last round of CAP reform? Will he ensure that the reference price is big enough to ensure that production continues not only in the UK, but in the African, Caribbean and Pacific countries that export their cane sugar to us?

Mr. Straw: What I guarantee is that, first, we have to negotiate with the French; they are key partners and if we just shout at each other we shall not reach agreement. We have to negotiate with them. Secondly, I was talking to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs this morning about exactly that issue: sugar prices and export subsidies for sugar. She is involved in detailed discussions with her French opposite number, because reaching agreement with France is key to reaching overall agreement. Thirdly, we actively support the Commission proposals.

Mr. Gordon Prentice (Pendle) (Lab): The White Paper says that the new fundamental rights agency will fill a gap in the current system. What will the agency do that the Council of Europe does not do already?

Mr. Straw: The Council of Europe is a different institution and its work is different from that of the European Union. If my hon. Friend is asking that we ensure that the agency does not duplicate the work of European and national bodies, the answer is yes, I have been discussing that very issue—that we ensure it adds value to fundamental rights rather than simply duplicating the efforts of others.

Dr. Julian Lewis: What prospect is there of the British presidency being used to encourage other EU members to take action in respect of the prospect of the Iranian nuclear bomb under a newly elected hard-line, fundamentalist President?

Mr. Straw: When I began work with France and Germany negotiating with Iran in what is now called the E3, there was much scepticism about whether European consensus would hold. It has held. My French and German counterparts and Javier Solana have been as firm as me in negotiating on the dossier. At each stage of the resolutions at six meetings of the board of governors of the International Atomic Energy Agency there has been unanimity led by Europeans. Following the election of the new President, we shall work with Iran on the basis that he will meet and keep the commitments to which his predecessors kept. We shall begin negotiations with him on that basis; if that changes, our position has been made very clear.

Mr. Simon: First, I thank the Foreign Secretary for his previous answers, in which, as I understand it, he gave a firm commitment to hold a series of glamorous and high-profile meetings in the great city of Birmingham, on whose behalf I offer many, many thanks. Secondly, in the context of Turkish accession, does he have any words for our Cypriot constituents, who have a history of sensitivity about Turkey, as well as a sense that they have not had quite the support that they hoped for from the Labour Government?

Mr. Straw: I give a solemn promise to the House that if, as I hope, I am still Foreign Secretary in 2018, there will be definitely be an EU presidency meeting in Birmingham, if not three or four.

The situation regarding Turkey and Cyprus is a sensitive issue for both Greek and Turkish Cypriots in equal measure, albeit for different reasons. The best hope of resolving the problems on Cyprus in the long term and achieving its unification is through Turkey's accession negotiations because Turkey knows that that issue must be resolved before it can become a member of the EU.

Anne Snelgrove (South Swindon) (Lab): I welcome my right hon. Friend's comments about Turkey because enlargement of the EU has been a great success—does he agree? Will he comment on the progress that might be made over the next few months on the accession of Bulgaria and Romania to the EU?

Mr. Straw: The date of accession for Bulgaria and Romania has been set for 1 January 2007, but they must meet certain criteria before then. I hope that that will happen, but if it does not, accession will probably be delayed by a year.

Richard Burden (Birmingham, Northfield) (Lab): May I endorse what my hon. Friends have said about Birmingham? We would like two meetings, if possible, because we are getting one already.

I agreed with my right hon. Friend when he identified the middle east peace process as a key policy area in which the European Union has a unique and distinctive role to play. What can the European Union do to ensure that any opportunities presented by Gaza withdrawal are not closed off by the chances of a viable Palestinian state being removed by continued settlement building in the west bank and the construction of an illegal wall in the occupied territory? My right hon. Friend has made it clear that he is opposed to those things, so will he tell us what the European Union can practically do to change the situation, rather than simply protesting about it?

Mr. Straw: A great deal, not least by working in the Quartet of the United Nations, EU, the Russian Federation and the United States, with which we work especially closely, as we have to, and, above all, by ensuring that the withdrawal by the Israelis from Gaza that is due on 16 August takes place in such a way that we see the creation of the beginnings of a separate and viable state of Palestine that is, above all, capable of running its own security. If we can achieve that—we are giving active and practical support to the Palestinians for it—there will be a strong international consensus on the next stage laid out in the road map of moving towards a viable totally separate state of Palestine. Many of the issues on which my hon. Friend and I agree can be resolved in the course of the final-status negotiations.

Mike Gapes (Ilford, South) (Lab/Co-op): Turkey is of course an important ally in NATO, so I am pleased that paragraphs 79 and 80 of the White Paper outline the development of the European security and defence policy and give an assessment of the successes that it has

[Mike Gapes]

already had in Bosnia. However, there is an outstanding difficulty with the relationship between NATO and the EU relating to Turkey, so will my right hon. Friend give a pledge that our Government will continue their strenuous efforts to try to resolve those difficulties so that we can get more effective security in our continent?

Mr. Straw: Yes, I will. The difficulties that occur independently of the EU in NATO would be resolved by the process leading to Turkey's full membership of the European Union.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): Will my right hon. Friend comment on the situation that is evolving as the European Union and its institutions try to generate a new relevance to the lives of ordinary people throughout Europe? Will the British presidency suggest that they try to focus on intervention in some of the real problems that exist, such as the difficulties in the insurance industry in which market failure, lack of competition and conflicting regulations have caused a crisis for small business, workers, home owners and even charities. Such problems are especially acute in peripheral areas such as Northern Ireland, which has suffered from a collapse of the insurance industry, so it is important that something is done about that.

Mr. Straw: I accept my hon. Friend's point entirely. In paragraph 28 on page 10 of the White Paper, we comment on the proposals to improve the operation of financial services across Europe, which must mean opening up a proper common market for insurance.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I agree with everything that my right hon. Friend has said about enlargement, but given that there appears to be little doubt that a big reason for the no vote in the referendums was hostility to not only future enlargement, but the most recent enlargement, does the Union not need to do some serious thinking about its enlargement strategy? Surely there is a case for developing mechanisms to allow possible applicants to enter into closer relationships with the Union so that they can enjoy some of its benefits pending what would undoubtedly be a lengthy transition period in many cases.

Mr. Straw: All accession states have a transitional position of associate partnership, which will continue. It would be a profound error, and not remotely in the interests of Europe as a whole or the United Kingdom, to close the door on the prospect of membership to Turkey or the Balkan states. Public opinion about accession varies throughout Europe, but concern in countries in which there is hostility to the accession of countries such as Turkey would be greatly eased if the citizens of those countries saw a more successful European Union than they do at present, especially with regard to its economic progress. Enlargement was in many ways a surrogate for discontent about the lack of economic progress in the existing E15 member states.

Africa (Poverty)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watson.]*

1.6 pm

The Secretary of State for International Development (Hilary Benn): I am sure that the whole House will welcome the opportunity in the week before the G8 summit to discuss the great moral and practical challenge that our generation faces: eradicating poverty in Africa. I cannot not recall a time when poverty in Africa, its causes and what we can do about it were the subject of so much debate and public attention. The Make Poverty History campaign and its many supporters, and many hon. Members on both sides of the House, including members of the International Development Committee, the all-party group on Africa and the other all-party groups, deserve our heartfelt thanks for achieving that.

There is growing recognition that it is both our moral duty to help to change the condition of humankind, and in our self-interest to do so in an interdependent world. Many people will be in Edinburgh or at one of the Live 8 concerts this weekend because they want the G8 to act and believe that it is possible to do something. That is a message of hope, and it is certainly the best defence against cynicism, because if cynicism were ever to take hold in the fight against global poverty, we would be lost. It should also encourage us in our task. I wish to speak today about what needs to be done.

The facts about poverty in Africa are a reproach to every single one of us. Some 315 million people in sub-Saharan Africa—nearly half the population—live on less than a dollar a day. Some 40 million of its children are not today where they should be—in school. Some 250 million Africans do not have safe water to drink or proper sanitation and 6 million men, women and children died last year of entirely treatable diseases such as AIDS, tuberculosis and malaria. We can no longer claim that we do not know that that is happening. We understand what needs to be done, and there has never been a better time to act, because Africa itself is making progress and changing.

The establishment of the African Union, with its principle of non-indifference, has seen interventions in Darfur, Togo and the Central African Republic which frankly would have been unthinkable only a decade ago. There are fewer conflicts. Since 1999, peace agreements have brought to an end 10 of Africa's major wars. More leaders are being democratically elected. Governance is improving. Thanks to the New Partnership for Africa's Development, since 2003 23 African countries have agreed to have their economic, political, social and corporate governance critically reviewed through the Africa peer review mechanism. Last week, the first assessments on Ghana and Rwanda were discussed by African Heads of State. The leaders of those two countries will respond to the recommendations in the summer. I will place copies of the reports in the Library of the House as soon as they are available. We should commend Presidents Kufuor and Kagame for their openness and readiness to acknowledge the need for change.

We are also seeing action to combat corruption, most recently in Zambia and South Africa, and in Nigeria, where President Obasanjo is making a significant break with the past. More than $700 million of corrupt assets have been seized. Three Ministers and three judges have been sacked. One judge has been suspended. The Senate President has been forced to resign, and the inspector general of police has been arrested.

I am sure that the House will welcome the steps that are taking place in Nigeria—a country that suffered so grievously over the past generation, from corruption, bad governance and military dictatorship. I am also sure that the House will welcome the news of an agreement to deal with Nigeria's debt which was reached by the Paris Club yesterday. That is proof that reform brings benefits. Now is the time for all of us to support the reformers in Africa.

Mr. Andrew Robathan (Blaby) (Con): The right hon. Gentleman knows that I have a high respect for him, and we have discussed the issues once or twice before. When he says that there is moral challenge to us all, I agree with him. When he says that poverty reproaches each one of us, I agree with him. However, surely more than anyone it reproaches the other rulers who are not making progress—those in Zimbawe, who are not criticised by Mbeki in South Africa, and those across the continent of Africa, where next to no progress is being made, including, I regret to say, Ethiopia, whose Prime Minister was a member of the Commission for Africa.

Hilary Benn: I accept the hon. Gentleman's point and I shall come to those two countries directly because if we are going to do the right things to help, we have to tell the whole truth and nothing but the truth about the condition of Africa.

We are also seeing economic progress. Average GDP growth in 2004 was the highest in eight years. Mozambique has cut poverty by a third in the past 15 years and has doubled the number of children in school. Uganda has cut poverty by half and reduced the incidence of HIV by two thirds. We all know, however, that progress is not seen everywhere across Africa. On current trends, the millennium development goals will not be reached for another 100, or in some cases 150, years. The people who need the progress that the goals represent will be dead by then. They cannot wait that long.

Africa suffers from a lack of capacity. Many countries simply do not have enough money to pay the salaries of doctors, nurses and teachers, or to buy the drugs that are needed to fight the AIDS pandemic that is killing so many people—2.5 million Africans died last year of AIDS—and threatens economic development. It is not just a human tragedy, but potentially an economic catastrophe.

Ethiopia, which has achieved great success in reducing poverty and getting more children into school, is involved in a terrible struggle, with loss of life and arrests as a result of its election process. The fact that there is no result to the Ethiopian elections should concern us all. Governments in Sudan and Zimbabwe have shown a shameful contempt for human rights, in one case killing their own citizens and in the other bulldozing families out of their homes. I applaud what the African Union has done in Sudan, and I very much regret its silence on Zimbabwe. I hope that that will change.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my right hon. Friend on behalf of the associate parliamentary group for Sudan for addressing us so shortly after his return from Sudan. It is pleasing to see at one level what is beginning to happen via the AU in Darfur. However, the right hon. Gentleman will know that another tragedy is opening up in the east of the country, around Port Sudan. There has been rebel activity and, as before, the Government are overreacting. Will he talk to the Foreign Secretary to determine whether preventive action is needed now, so that we stop the tragedy of the north-south divide occurring again and ensure that there is not another scar on the face of Africa?

Hilary Benn: I will do that. My hon. Friend takes a close interest in Sudan. The conflict in the east and in Darfur demonstrates that although there is the north-south civil war, which has cost so many lives, in other parts of Sudan people want political participation and the chance to develop. The importance of the comprehensive peace agreement that was negotiated is that it provides the framework on wealth sharing and sharing political power, which offers the hope of finding a solution to the conflicts elsewhere in the country. In the end, it is up to the politicians to stop fighting, to start talking and to find that solution.

Although we rightly deplore what is happening in those countries where progress is not being made, they do not represent the whole of Africa. We cannot allow the actions of some Governments to jeopardise the future of the entire continent when African Governments elsewhere are increasingly demonstrating their commitment to change and when we can see the difference that aid makes.

The United Kingdom is helping to lead the debate on how aid can best be allocated. In the right circumstances, we should give our aid in a way that allows African Governments to decide how best to use it in line with their priorities to get children into school, to improve health care and to tackle poverty. In many countries, that means budget support. Where that is not possible, however, our aid will support sectoral programmes in health and education. We are also trying to improve predictability of aid—for example, by the 10-year agreements that we have reached with Rwanda, Sierra Leone and Tanzania. In every case, we assess the risk and put in appropriate safeguards against corruption. We are also working with countries to strengthen and improve their public financial management, because we have to be sure that we can demonstrate that the money reaches the poor.

We know that aid works. In Ghana, 15 years of aid to education has resulted in a 10 per cent. increase in enrolment and an increase from one third to four fifths in the number of primary school graduates who have acquired literacy skills.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): The right hon. Gentleman talks of aid and includes Zambia as one of the countries that is making progress. The World Health Organisation predicts that by

[Mrs. Nadine Dorries]

2010 the average age of a Zambian will be 24. Twenty years ago the average age was 60. How can that be progress?

Hilary Benn: The reference to Zambia related to tackling corruption. It has an enormous AIDS problem. One reason why we need more aid, and debt cancellation, for countries like Zambia is so that they have the resources they need to buy the drugs and employ the doctors and the nurses to prevent the catastrophe that the hon. Lady rightly mentions. That is why we need to do more.

In Tanzania, budget support has increased the number of children in primary school from just over 4 million to 7 million in recent years. Nine out of 10 children now go to school. Uganda has used budget support to abolish health-user fees for primary health care. It has recruited an extra 3,000 trained health workers. Immunisation rates for children under five have risen from 40 to 80 per cent.

Aid works. That is why the Commission for Africa called for a doubling of aid from $25 billion to $50 billion by 2010. We know that without it Africa will not meet the millennium development goals. The commission was clear on that. We need that aid to improve infrastructure, to invest in people, education and health, to tackle AIDS and to create conditions for private sector investment. Above all, we need a big push now. The most powerful message for our debate today is that all of Africa's development challenges are linked, and that success will come about only if they are all addressed together.

The UK's contribution has involved leadership, and the Prime Minister's decision to set up the Africa Commission and to make Africa the heart of our G8 presidency. However, we are also giving practical help with a rising aid budget, and we have now set a timetable for achieving the 0.7 per cent. target by 2013. Europe's contribution will be particularly significant. The agreement that EU development Ministers reached just over a month ago will double Europe's development assistance between now and 2010, and will on its own deliver two thirds of the $25 billion a year additional aid to Africa that the Commission for Africa recommends. Canada has announced that it will double its aid to Africa by 2008, and Japan will do so by 2007. President Bush will make an announcement today about further contributions from the United States.

Mr. Laurence Robertson (Tewkesbury) (Con): Will the Secretary of State do his utmost to ensure that the aid from the European Union starts to return to the poorest countries? He will be well aware that the EU's record of delivering aid to those countries is regrettable. It has never been good, but it has got worse in recent years.

Hilary Benn: I agree with the hon. Gentleman. The EU aid deal to which I referred represents the commitments of the 15 member states through their bilateral programmes. In addition, there is the European Community's development programme, and we and others are fighting to see more of that going to the world's poorest countries. I believe that there is support across the whole House for that.

Andrew George (St. Ives) (LD): The Secretary of State will have seen in *The Times* this morning that the International Monetary Fund has produced two reports that question the premise that aid makes a significant contribution to economic growth. What response will he and his Department make to the IMF in that regard?

Hilary Benn: The case for aid is not so much the difference it makes to economic growth but the difference it makes to saving people's lives and to getting children into school. Aid on its own will not deliver the economic growth that Africa requires if the continent is to be transformed. However, we should not let the IMF report dampen our commitment to increasing aid, because we can all see the benefit of so doing.

Mr. David S. Borrow (South Ribble) (Lab): Over the next few weeks, a lot of promises will be made about aid for Africa, and we need to ensure that those promises are kept. We must ensure that the aid that is promised by countries across the world materialises in the years to come. There are too many of examples of that not happening; bold promises have been made, and poor people have lost out because they have not been kept.

Hilary Benn: I could not agree more. The best people to hold to account the Governments who make those commitments are the Parliaments and the electorates of those countries, and the more loudly people express their concern about development and their anger about poverty, the better chance we have of ensuring that those commitments are turned into cash and practical help.

The other big step forward that we have seen is the agreement on debt cancellation, negotiated with such skill by my right hon. Friend the Chancellor of the Exchequer. It potentially involves $55 billion-worth of debt cancellation, so that developing countries—many of which are in Africa—will no longer be faced with the terrible choice between making monthly repayments that they cannot afford and using the money to buy AIDS drugs and to employ the doctors, nurses and teachers who will make a difference to so many people's lives.

Aid and debt relief will help, but, as the hon. Member for St. Ives (Andrew George) said, Africa will not meet the millennium development goals without faster economic growth. We want to see African economies and their share of world trade double in the next few years, which means increasing their opportunities to participate in the global trading system, investing in infrastructure and reducing the cost of transport. One of the most striking statistics among the many in the Commission for Africa's report illustrates that, while it costs $1,500 to transport a car from Japan to Abidjan in west Africa, it costs $5,000 to move it on from Abidjan to Addis Ababa. The high cost of transport in Africa is one of the factors that gets in the way of economic growth and development.

Everyone in the Chamber knows that our greatest opportunity to enable Africa to break free from the chains of poverty will be at the World Trade

Organisation talks in Hong Kong in December. Unless we do everything that needs to be done to allow Africa to trade on fairer terms with the rest of the world, we will deny it the best hope that it has of changing the lives of its people for the better.

My final point is about partnership, because, in the end, there has to be a commitment on both sides. I have spoken about the contribution that the richer world can make, but Africa, too, has a responsibility to provide peace, stability and good governance. One reason why we should have hope is precisely that in recent years Africa has demonstrated through NEPAD and the African Union its determination to live up to that responsibility.

A fortnight ago, I was in Rumbek, in southern Sudan, where one in four children die before they reach five years of age and three quarters of all adults cannot read. I do not think I have ever been to a place that has so little. It has been impoverished, brutalised and traumatised by Africa's longest-running civil war, which has claimed 2.5 million lives. I met a group of villagers who had walked from Khartoum to Rumbek, which had taken more than two months. I particularly remember talking to a young woman by the name of Josefina, who was 19, and her brother Stephen, who was 11. Their mother had abandoned them and they had walked to Rumbek with their fellow villagers. I asked Josefina whether Stephen went to school, and she said he did not. When I asked why, she told me that the only school in Rumbek charged fees, and she had no money to pay them. Only with the peace deal will Rumbek and southern Sudan have the chance of a better future. As part of our obligation, we are providing more than £100 million to Sudan this year, in addition to the support that we are giving to the peace mission in Darfur.

Only through peace and stability will southern Sudan have the chance of a better future. The situation there teaches us that, even with the doubling of aid, the cancellation of debt and the opportunity of fairer trade, if people continue to fight one another, there will be no development or progress. Sudan and other countries remind us of that challenge. That is why we are right to provide support to build African capacity and to undertake more peace support operations across the continent. That is also why we are right to put money into education, so that people like Stephen in southern Sudan can have the chance to go to school. That is why we are right to put in money to meet the financing gap in regard to the fight against HIV and AIDS, and why Britain will be hosting the replenishment conference for the global fund in September.

In the end, this is all about one thing. It is about building capacity, without which Africa will not be able to tap its potential. Its countries need good governance, an independent judiciary, a lively civil society, and civil servants with skills. They need to fight corruption and to create a climate in which people from Africa and beyond will want to invest their money. In the end, capacity is about Governments who are able to deliver, and about people who have an expectation that their Government might be able to do something to improve their lives. I learned that lesson more forcefully than anywhere else on my first visit to the Democratic Republic of the Congo, when President Kabila told me that the challenge that his country faced was not to restore people's faith in the Government but to persuade them, for the very first time in their lives, that there might be something called a Government who had something to offer them. Above all, the future of Africa rightly lies in the hands of its people and their Governments.

There are many hon. Members in the Chamber today, and I look forward to hearing what they have to say. They will know that Africa is as full of potential, creativity, talent and hope as any other continent on the planet, and those qualities are waiting for the opportunity to be set free. We need to see Africa in all its complexity. If people continue to look at it as a continent only of war, pestilence, famine, disease and starvation, we will not see the real Africa underneath that is struggling to come up. In the end, it is the power of the political process in African countries and in the world that offers us the best hope of a better future. What is remarkable about the people who will gather in Scotland this weekend is that they look to the G8 and the political process to change things for the better.

Pete Wishart (Perth and North Perthshire) (SNP): Will the right hon. Gentleman give way?

Hilary Benn: If the hon. Gentleman will allow me, I shall conclude. Many Members want to speak, and I want to allow as much time as possible for them to do so.

People have demonstrated at some G8 summits because they do not want the G8 and do not like what it stands for—they want it to get out of town. We should draw enormous comfort from the fact that that is not the case this time. People hope that politics will demonstrate its capacity to change things for the better. It is, after all, how we as a country transformed ourselves over the past 400 or 500 years. Life expectancy used to be short, few people went to school, we did not have a health service and there was crushing, grinding poverty. If our forebears and ancestors came back, they would be astonished by the society that we have built for ourselves through a process of political, social and economic development. The people of Africa want exactly the same opportunity for themselves and their families so that they can build a better future and pass it on to the next generation. Our obligation is to do all that we have in our power to help them to bring about that better future.

1.31 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): A number of factors converge to focus the eyes of the world on Gleneagles next week. Britain holds the presidencies of the G8 and the European Union, we will have a strong voice at the World Trade Organisation talks in December and it is the 20th anniversary of Live Aid. Thanks to a well organised and positive campaign, the public's desire to make poverty history has become an almost tangible force in the run-up to next week's summit. That presents the leaders of the eight most powerful nations with a great opportunity but also with a great challenge.

Next week in Edinburgh, it is not only the heads of African Government who will be held to account but the leaders of the richest, most powerful countries in the west, as the public are keen to see their spirit of compassion and good will reflected in the actions of

[Mr. Andrew Mitchell]

their leaders. They are watching to see that in this year of opportunity politicians live up to the task, so that generosity is matched by the determination to ensure that every penny released for development is spent properly. Good intentions must be translated into effective results on the ground. Next week, the G8 leaders must channel the tremendous good will over the past few months into effective action for the world's poor. If they do not do so, they will fail the 30,000 African children who die unnecessarily every day, and they will fail the people of their own nations who demand real and effective action.

Accountability is the key, and that is what the Opposition will push for. The Conservative party fully welcomes the current political landscape of consensus on development issues. As the Secretary of State knows, we stand foursquare behind him on the Government's push for a comprehensive deal on aid, trade and debt. I am delighted by the emergence of a united British agenda on international development. I pay tribute to my predecessors, including my hon. Friend the Member for Buckingham (John Bercow), who is in the Chamber today, as they have worked hard to secure that unity of purpose. I am proud to have been appointed to my current post at a time of such opportunity. This is not a party political issue, and we will not seek to oppose for opposition's sake. However, the debate must be more than merely an exchange of pleasantries.

While we commend the spirit of the Government's approach, the Opposition think that there are things missing from it. There is a serious danger that the Government will focus too much on headline figures and inputs, and not enough on ensuring that those inputs translate into concrete improvements in the lives of the poor. That would offer no solution to the people of Africa, and no satisfaction to the people of the G8 nations. On behalf of both those groups, we will hold the Government and their G8 counterparts to account.

Africa is the world's biggest continent. It consists of 51 countries with hugely diverse cultures and histories, where more than 1,000 languages are spoken. As the Secretary of State has just said, we should be wary of excessive generalisation when talking about Africa, but the countries of sub-Saharan Africa are, broadly speaking, united in poverty, which is acute, prolonged and worsening. Africa is the only continent in the world to have grown poorer in the last generation. People around the world, particularly in India and China, are creating wealth and gradually escaping from poverty. Africa's share of world trade, however, has halved. Poverty is increasing and, as my hon. Friend the Member for Buckingham has said, life expectancy is falling.

Today, like yesterday and tomorrow, 8,000 people in Africa will die from HIV/AIDS, 7,000 people will die of hunger, and 6,000 will die from water-borne diseases—90 per cent. of malaria cases are in sub-Saharan Africa. At least 25 million people are HIV-positive, and 12 million children have lost one or both of their parents to AIDS—12 million is more than the number of children in Britain. A total of 100 million children are missing out on school. Their school fees—I learned in Uganda that they are often less than £5 a term—are too expensive for their parents to meet. Denied an education, they are condemned at birth to a life of failure, their intellectual growth stunted just as the growth of their nation is stunted by poverty, and their talent is wasted forever.

Africa's children are like our children—they laugh the same, play the same, and suffer the same. In South Africa, people spend more on burying their dead than they do on food and clothing for their families. In the global village, we cannot ignore such suffering. In the face of that situation, it is truly appropriate that the question that will dominate the G8 meeting next week is what politicians in rich countries should do to reduce poverty and promote development in poor countries. For the millions of AIDS orphans and for all those children not in school there is no more important question. There are, however, no easy answers. Africa needs much more than good intentions. It needs co-ordinated, focused and effective assistance from the developed world and good policy from its national governments—a partnership, as the Secretary of State said.

I deliberately stress the need for good policy from African Governments. Bad Governments pursuing bad policies are the major reason why Africa is poorer today than it was 50 years ago. If the G8 countries are serious about helping Africa, they must face that unpleasant fact, and use their diplomatic and financial influence to create incentives for African governments to govern well. They must be unflinching in their condemnation of those Governments who perpetuate poverty and wage war on their own people. The title of our debate is "Helping Africa to fight poverty", and ultimately it is the responsibility of African governments and the African people to fight poverty.

Our actions should be enabling. They may help to create the necessary conditions for progress in Africa, but they are not sufficient in themselves. Kofi Annan, the UN Secretary-General has said that

> "the struggle for development has to be carried on mainly in developing countries and by their people."

We must not use bad governance as an excuse to turn our back on those 12 million AIDS orphans. There is much that the G8 leaders can, and must, do to assist those African governments who are genuinely committed to helping their people escape poverty.

First, we want to see a big increase in the quality and volume of aid. I welcome the consensus in British politics on the UN's 0.7 per cent target. As well as increasing the amount of aid that we deliver, we must secure international agreement to achieve a dramatic improvement in the quality of aid. We should be candid about the record of aid in the past. Some aid has been spectacularly successful. It supported the eradication of smallpox, for example, saving millions of children from a painful death. In Kampala 10 days ago, I saw how British aid is helping to support 140,000 families affected by HIV/AIDS. I met people who are alive today because of British generosity. I visited the Kitovu hospital run by the CAFOD-sponsored Medical Missionaries of Mercy. Everyone in that hospital was working together to save lives with limited resources. I pay tribute to the work of those amazing people at that hospital and to all those who volunteer. They show us what can be achieved.

I want all our aid to be that effective, yet much aid in the past has been wasted, ending up in Swiss bank accounts or the pockets of arms dealers. Too often, aid has been characterised as a transfer of money from poor people in rich countries to rich people in poor countries. No part of the planet has received more aid and done less with it than Africa. We will secure public support for increased aid only if we take decisive action to prevent that from happening again. The public are sceptical. A poll for *The Daily Telegraph* has shown that 83 per cent. of people are not confident that money given by the west would be spent wisely. It also shows that 79 per cent. of voters believe that corruption and incompetence are to blame for Africa's problems.

After the summer, when the G8 conference is packed away, our electorates, the people of the developed world, will look to their leaders to ensure that the vast amount of money raised is spent properly. We must outline clearly how the money is to be spent, and we must put in place clear, transparent structures to account for the money. The G8 leaders must be able to monitor precisely where our money goes. I hope the Secretary of State will look carefully at structural ways of ensuring greater transparency and accountability in the way aid moneys are spent. Our taxpayers will demand nothing less.

Our aid should help to support efforts to develop the institutional and legal preconditions for growth and sustainable poverty reduction. It should be used to reward and encourage countries which establish a framework of transparent institutions, which respect the rule of law and human and property rights, and which promote free trade between individuals and between nations. Where we work with Governments, we must expect them to be fully and openly accountable for the funds that they receive. There should be no more second chances for tyrants and no more benefit of the doubt for corrupt dictators.

In badly governed countries, we should distribute aid through the small platoons of motivated, dedicated NGOs which are already doing such good work in the developing world. Such money should be disbursed through the Department for International Development, which is focused on output, rather than through the inefficient European Union.

We face huge challenges and we have only limited resources, so it is vital that we spend our aid where it will do the most good. That means supporting specific, effective, accountable investments in vaccine research and the provision of basis health and education services. We should draw up a priority list and stick to it. The Copenhagen consensus priorities of tackling HIV/AIDS, malnutrition and malaria are a good place to start.

We need to conduct a rigorous investigation into the merits of direct budget support, as opposed to project aid. Clearly, both approaches have their advantages and disadvantages, but the British people will rightly be sceptical about giving their hard-earned money to Governments who are not fully accountable and transparent.

Mr. Drew: Will the hon. Gentleman include TB in his list? TB, unfortunately, is the great killer in Africa that is often overlooked. Together with my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), I had a meeting last week with Dr. Felix Salaniponi, who is the director of the national TB control programme in Malawi. He made it clear to us that TB can be eradicated but it must not be left out of the equation with malaria and HIV/AIDS. Does the hon. Gentleman agree?

Mr. Mitchell: The hon. Gentleman makes a good point. TB is of course coterminous with AIDS, and he makes his own point correctly.

The Department for International Development has earmarked £45 million for direct budget support to Malawi in the period 2003–06, despite the fact that the Department acknowledges that the country has

"weak economic and financial management".

Can the Secretary of State assure us that the money will be well spent? In Uganda, 50 per cent. of the budget comes from aid. What impact does that have on the behaviour of the Ugandan Government? Does it undermine their accountability to the Ugandan people?

I turn to the proposed international finance facility. That is a very clever way of front-end loading aid funding, but many questions remain unanswered. How exactly will the extra money be spent? How will we avoid the risk of a dramatic reduction in aid levels after 2015? What guarantees can be given that our aid will indeed be more effective if spent sooner rather than later? If the limiting factor is absorptive capacity on the ground, there is a real risk that aid could be subject to significantly diminishing marginal returns.

The international finance facility for immunisation is a very good idea indeed. Vaccinating children against disease is surely one of the most effective ways to spend our money. Children's lives can be saved for just a few pennies. In the 20th century, we eradicated smallpox from the planet and we made great progress on polio. In the 21st century, why can we not eradicate malaria from the planet, or even HIV/AIDS? In the face of diseases that cause such suffering, we cannot set our sights too high. One of the major priorities for the extra resources released at the G8 should be preventive health care and the provision of safe drinking water and adequate sanitation. We must ensure that all the money raised by the main IFF is used as productively as that. Furthermore, the immoral and unethical poaching of doctors and health workers from the third world to work in our country—health workers who are desperately needed back in their own communities—should be ended immediately.

I come now to debt relief. The last Conservative Government led the world in providing debt relief for poor countries. We welcome the progress that has been made on bilateral debt relief and will urge other countries to follow Britain's lead. We welcome the recent deal on multilateral debt. Well managed debt relief has produced many success stories. Mozambique's debt relief has enabled its Government to immunise 500,000 children. Benin eliminated school fees in rural areas, allowing thousands of children to attend classes for the first time. That is what debt relief can and must achieve, but we need to ensure that all the money freed up in this way is spent on fighting disease and educating children. We must put in place robust measures to ensure that the money released by debt cancellation is

[Mr. Mitchell]

used to fight poverty. We must match generosity with practicality, acting to ensure that the money released by debt relief is put to good use.

The most effective way of helping African countries to develop is to free up markets for their trade. Although trade policy is a matter to be decided formally at the EU and the World Trade Organisation, it is right that trade measures to help the developing world are very much on the political agenda at the G8. I reiterate our position. Protection for developed countries at the expense of the developing world is both immoral and hypocritical. It must come to an end. For every pound that rich countries give to poor countries in aid, those countries lose £2 through our protectionist trade barriers. Over the past four years, £20 billion has been spent by the EU on agricultural export subsidies to Africa. That is a waste of European taxpayers' money and a direct cause of African impoverishment.

I am horrified by the French attitude to the reform of the CAP.

Mr. Laurence Robertson: My hon. Friend will be aware that 20 years ago, when Live Aid started, half the entire EU budget was spent on storing and disposing of surpluses, at a time when people in the world were starving. Is it not a tragedy that 20 years on, we do not seem to have moved very far?

Mr. Mitchell: My hon. Friend lays before the House a most important point.

The common agricultural policy hurts British taxpayers and consumers and is detrimental to the interests of poor countries. It encourages overproduction, distorts prices, imposes high tariffs on imports and subsidises exports. The Government must not let French intransigence prevent them from pushing for reforms of the CAP which will benefit the poor. We will press the EU to reduce agricultural tariffs and to end export subsidies. My right hon. Friend the Member for West Dorset (Mr. Letwin) is saying a number of interesting things today about the reform of the CAP. I hope the Government will want to take up his sensible agenda.

The dumping of state-subsidised produce on poorer countries is an abuse of the market. America should be taken to task for its outrageous cotton subsidies, which impoverish the people of Africa. What steps are the Government taking to equip poor countries to take full advantage of the opportunities offered by the multilateral trading system overseen by the WTO? Does the Secretary of State agree that a lack of the necessary expertise all too often prevents poor countries from taking full advantage of the system? What further consideration has he given to our proposal to create an advocacy fund to help poor countries fight their corner in international negotiations and to ensure that they are not outgunned in trade disputes? He will want to consider the important points made by my right hon. and learned Friend the Leader of the Opposition at yesterday's Prime Minister's questions.

The experience of Africa since independence has not been one of undifferentiated failure, and there are beacons of hope and cradles of development from which the rest of the continent can learn. For example, Botswana has had the fastest growth in income per person of any country in the world during the past 35 years. It is a stable, well governed country and a multi-party democracy, and the benefits of its considerable diamond wealth have been spread fairly widely. According to Transparency International, Botswana is the least corrupt country in Africa, and its Government have taken a firm stand against corruption. When I visited Botswana last year, I was impressed by the anti-corruption posters on every street corner. Of course, the problem for Botswana is that all this is threatened by an HIV-prevalence rate of 30 per cent.

Let us be honest—the people of Africa have suffered from some of the worst Governments in the world. It is polite to refer to that point as "the governance issue", but the euphemism betrays those Africans who encounter police as a uniformed protection racket, customs officers not as people who protect their children from drugs but as extortionists who have bought their posts and need to make them pay, or judges not as neutral administrators of justice but as servants of the rich and powerful. To people from Darfur whose villages have been razed or to Zimbabweans whose homes have been burned, the word "governance" is a shameful, almost wilful, dodging of the issue, and the G8 leaders should act on that matter next week.

This Government have not always lived up to their rhetoric about crimes against humanity in Africa. As President Mugabe's repression gets worse, they still do nothing—meanwhile, China supplies him with arms. In the debate following the statement on the Commission for Africa, the Secretary of State said that he felt the people of Africa would hold their leaders to account through the democratic process. I hope that he will at least concede that things are not going entirely as he had hoped. African Governments have remained resolutely silent over the policies of state terrorism exercised by President Mugabe in Zimbabwe, except, of course, for President Mkapa of Tanzania, who is a member of the Commission for Africa and who earlier this year in a BBC interview praised his "brother" for his brave anti-colonial stance.

Kate Hoey (Vauxhall) (Lab): The hon. Gentleman has mentioned good governance in Africa and Zimbabwe. This morning, I visited some of the Zimbabwean hunger strikers in Harmsworth. What message does it send to the world about what this country thinks about Zimbabwe that we are prepared to allow 90 people to remain on hunger strike because we will not stop sending back people to that brutal dictator?

Mr. Mitchell: The hon. Lady is right, and I have made the point that more action should be taken.

I am not talking about white farmers, although their treatment has been appalling and unjust. I am talking about the estimated 250,000 black Zimbabwean citizens who have been brutally ejected from their homes, which have been destroyed, and left without shelter or sustenance because they were suspected of voting for the opposition in the last election. I am talking about the many millions more who are starving and dying in the country at large for belonging to the wrong tribe, for having the wrong political allegiance, or simply because they are the random victims of policies that have

reduced a once-thriving country to penury. We were told that public criticism of Mugabe's regime by donor Governments would be counterproductive and that we should allow Mugabe's peers and neighbours to use quiet diplomacy and economic leverage to ameliorate his policies. From here, that quiet diplomacy looks far more like spineless consensual silence.

As for Ethiopia, which is run by another of the Prime Minister's friends, Meles Zenawi, the African Union, explaining its silence about the recent murder of more than 20 opposition supporters on the streets of Addis Ababa, said that it had more important issues to deal with.

Neither protestors, nor politicians, nor rock stars will be able single-handedly to make poverty history, which is a task that can be accomplished only by the efforts of African countries themselves. People, not Governments, create wealth, but there is much that our Government can do to make that task easier: we can champion and reward good government; we can give more aid and make sure that it is spent well; and we can allow people in poor countries to trade with people in rich countries without hindrance. However, the ultimate success or failure of the British presidency of the G8 will be judged not by inputs—the headline figures on aid or debt—but by outcomes. How many children will it save from an early death and how many poor countries will it enable to become more wealthy? We have a duty, both to people in developing countries and to the hard-working British taxpayer, to see that the money released for development in 2005 is well spent.

Good intentions and generous spending alone achieve nothing. If we are to make poverty history, we must match compassion with realism and generosity with practicality. Although we should recognise the crucial role of aid in reducing immediate human suffering, we should also remember that the only sure road out of poverty is wealth, spurred on by property rights and freedom under the rule of law. Reforming immoral, hypocritical and pernicious trade barriers and subsidies would do more to help sub-Saharan Africa than anything else.

We fully support the Prime Minister and the Government in their determination to act this year, but we will monitor them closely and hold them accountable for the hopes they have raised, both at home and in Africa. My signal to those marching to Edinburgh—many of us will be marching with them—is that we will not allow their expectations to be let down. Failure by the leaders of the G8 to seize this moment of opportunity would be a betrayal of their own citizens as much as of the poor, the sick and the destitute in Africa. The Government must not squander the emotional capital that they have earned, which is why we will support them in the noble aims and aspirations that they will champion at Gleneagles next week. I hope that they will draw strength from our determination and support and from the faith of those across the world who will be watching.

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, I remind hon. Members that the 10-minute limit on speeches by Back Benchers applies from now on.

1.57 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): In opening the debate, my right hon. Friend the Secretary of State welcomed the focus on these important issues—it is marvellous that people are writing and speaking about them, and on Saturday people will be marching about them, too.

On 7 June, I read a piece in *The Guardian* by Martin Kettle that made me feel angry. Having re-read the article, which was entitled, "The naive lead the naive in a campaign of liberal guilt", and having re-examined Martin Kettle's conclusion that

"Gleneagles . . . is about a generation's unfinished business",

I think that the article probably served a useful purpose by reflecting, along with the enthusiasm for making poverty history and for Saturday's march, the cynicism which undoubtedly exists in some quarters and which has even been reflected in today's short exchanges. As the hon. Member for Sutton Coldfield (Mr. Mitchell) has said, Africa has received more aid than any other continent, but has also repaid more debt and more debt interest than any other continent, and it has to deal with countries that pursue grotesque trade policies that clearly make impositions on the poorest people in Africa. We must address those matters in the modern world.

So what do we seek to do? We want to take on board what Make Poverty History is about and to address the issues of conflict. We are all deeply worried about Darfur, and we want to strengthen the international community and the United Nations in their response to that terrible and ongoing crisis. In our aid policies, we want to ensure that we deal with child care issues. In Africa, one woman in 14 is likely to die in childbirth as against one woman in 1,400 in Europe; that cannot be right. We want to address health care problems and people's need for food and medication. We want to tackle genuine development and to challenge the terrible scourge of HIV/AIDS, especially where we know that we have the opportunities to do it.

There is cynicism, and we might as well acknowledge that. It is perfectly fair to criticise what is going on in Zimbabwe, which is abominable, but it has to be set in the context of the problems of the whole of Africa. Some 12 million people live in Zimbabwe—1.6 per cent. of a total population of 817 million. The policies being pursued there are deplorable, but Zimbabwe is not Africa and Africa is not Zimbabwe. Transparency, on the part of donor nations and recipient nations, is absolutely essential. It is essential too in terms of partnership, because without that partnership we cannot achieve the millennium goals and objectives that most Members wish to achieve.

I am glad that my right hon. Friend the Secretary of State gave a lead yesterday and today when he mentioned Kenya. He said that school fees had been abolished and that 1 million more children are at school, which is splendid, but he did not do it in a starry-eyed way. He pointed out that 40 million children in Africa are not where they should be—at their desks in the classroom. That, too, remains a challenge.

My hon. Friend the Member for South Down (Mr. McGrady) spoke about Ethiopia. He mentioned some people in his constituency who went there to help to build a little school, but had not been there for long

[Mr. Tom Clarke]

when they realised that it could not be done. They found children starving and dying and children who were blind, and saw that food and medication were not getting there. They went back to Ireland to review their priorities and to address the problems that they had encountered.

It is not unreasonable to respond to the demands for transparency that have again been made in this debate—indeed, I support them. It is not unreasonable to say that there should be accountability in relation to the extraction of the huge mineral resources in Angola, the Democratic Republic of the Congo and elsewhere. The companies that exploit those resources should be open and democratic, and the Governments who obtain them should be open not only with their own people but with public opinion in this country. I welcome the fact that our Government are taking that issue seriously.

I want to turn briefly, if I may, to the Bill that I hope to introduce for its Second Reading on 20 January; obviously I cannot refer to it in detail today.

John Bercow (Buckingham) (Con): Go on.

Mr. Clarke: That is despite the temptation of the hon. Member for Buckingham (John Bercow).

I believe that the Bill is highly relevant to this debate. If we achieve, as the International Development Committee is urging upon the Government, something like the Swedish model, then we will indeed be making progress. Under the Bill, not only would we expect and demand in this Parliament a report on how Governments achieve the target of 0.7 per cent. of gross national income—some do not have a particularly good record on that—but would look for the kind of transparency that Members on both sides of the House have demanded today, as well as a compact with recipient countries. We cannot instruct them about how they spend their money in absolute detail, but it is fair that we as a Parliament and the British people know how it is being spent.

We are right to aim for poverty reduction and to see as a huge priority the upholding of human rights and obligations, as well as strong financial management and action on the compelling issue of corruption. Today, we look forward to the events of the weekend. We also look forward to some other important gatherings—the G8 itself, the World Trade Organisation meeting in Hong Kong, and the millennium summit in New York later this year. They will not solve all the problems in themselves, but they are extremely important in making a practical contribution towards challenging the poverty and deprivation and the lack of opportunity and aspirations that we see in the continent of Africa.

In that spirit, I welcome the debate, the Government's policies, and the support that public opinion is giving to the continent of Africa because people recognise that it is a continent seeking to make progress in a world that is experiencing great disenchantment.

2.7 pm

Andrew George (St. Ives) (LD): It is a pleasure to follow the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), and I entirely endorse his comments.

Although the 10-minute restriction on Back-Bench speeches does not apply to me, I will apply it to myself, for two reasons. First, I may not be able to remain in the Chamber until the end of the debate. I have explained why that is to the Secretary of State, to you, Mr. Deputy Speaker, and to the Conservatives, so I will not bore the House with it.

Secondly, I have never been to Africa myself. People might say that I am therefore not worthy to contribute to the debate, but I hope that they do not. One does not need to travel to a place in order to be able to express concern or to engage in a debate about it. A maxim that often trips off the tongue is that travel broadens the mind. Its most ardent advocates perhaps say it to salve their consciences about using disproportionate amounts of non-renewable resources as they travel the globe. Some people who travel all over the place come back with the same teeny-weeny little mind that they went off with in the first place. I do not argue that travel does not broaden the mind, but I would say that if one starts with a broad mind, there is a great deal to gain from travelling. I hope that I can prove that, as I will be putting the matter right with regard to Africa in the very near future.

As we could have anticipated, so far the debate has been consensual. I could sign my name to the speech by the Secretary of State and to most of the speech by the hon. Member for Sutton Coldfield (Mr. Mitchell), who speaks for the Conservatives. I hope that they might be able to do the same to mine when I shortly reach the end of it; we shall see.

I congratulate the Government on their leadership through the Commission for Africa. They are raising expectations with regard to the G8 summit. Politically, that is a dangerous thing for any politician to do. They have done it, however, in a responsible way. The Chancellor's lead on debt relief is also welcome. We can therefore take pride, across parties, in the Government taking a lead in the world on those issues. Challenges still exist, however, which we want to probe and encourage the Government to address.

The hon. Member for Stroud (Mr. Drew), who takes a strong interest in such matters, mentioned the national TB control programme in Malawi, and I have also met Professor Salaniponi. The Department for International Development is providing welcome assistance and aid to that programme, supplementing the salaries of medical workers in Malawi, to ensure that they are not poached—at least we hope that they will not leave the country to work elsewhere, as they are essential to the success of that programme. The funding comes to an end, however, at the end of this calendar year. I know, however, that one of the challenges that the Department must face is the exit strategy.

David T.C. Davies (Monmouth) (Con): Will the hon. Gentleman join me in acknowledging the enormous damage done to countries such as Malawi when large numbers of nurses leave? I believe that more are now working in Britain than in Malawi, and we must be careful to ensure that the third-world countries from which we recruit can afford to lose those people. There are many nurses from the Philippines in my constituency, for example, but that is not a problem because that country has a surplus of nurses. We should

not recruit nurses or teachers from South Africa, however, when that shortage causes huge problems for the countries concerned.

Andrew George: I endorse the hon. Gentleman's sentiments. The Minister will no doubt address such issues, and the question of what the Government are doing, in his response. Certainly, supplementing the salaries of medical workers in Malawi makes a contribution, and we need to do a great deal more. Sophisticated activity might be needed to enable such workers to remain in their home country, whether they be teachers, medical workers or others.

The timing of this debate is related to the G8 summit in Gleneagles next week and the Live 8 marches and concerts at the weekend. I will also be in Edinburgh this weekend, and look forward to meeting the Secretary of State, the hon. Member for Sutton Coldfield and other parliamentarians to ensure that the messages get across. When one of the primary issues of the G8 summit is the eradication of poverty, however, I am concerned that that debate is among the eight richest countries in the world. In effect, the poorest countries can wait to hear what benefits come from the top table after the event. When countries that are not present are being discussed, the same principle should apply that applies to the disability community—one should never discuss others without them being present. The G8 should also have what I have described as the P8—the poorest eight—present so that they can look them in the eye, negotiate with them and understand exactly the consequences of their decisions.

In one of the most impassioned contributions to the debate, the Secretary of State described those in the wealthy west as having a moral duty. He described his recent experience of visiting Sudan. I hope—I know that the hon. Member for Buckingham (John Bercow), who has also spoken passionately on this issue, agrees—that the Government and the G8 will consider ways of building the capacity of the African Union and the United Nations as a means of recognising that conflict resolution might mean international intervention, from which we have held back too often in the past.

I asked the Secretary of State earlier about his response to the International Monetary Fund reports and the premise that aid results in economic growth. I have never believed or argued that aid programmes are necessarily intended to result in economic growth, and I was encouraged by his response that aid is about saving people's lives. We hope that trade and other mechanisms result more directly in the capacity for economic growth.

As further background, the Secretary of State mentioned, as reported on the front page of *The Times*, President's Bush's announcement that he intends to increase the US contribution to aid to Africa in three programme areas, on the condition that African Governments put their house in order. Of course we talk about governance, but it is wrong for us in the west to hector African Governments as we often end up doing. I hope that President Bush will put his house in order with regard to his trade rules.

Mr. Jim Cunningham (Coventry, South) (Lab): I have listened with great interest to the hon. Gentleman, but how does he think that we can get good government in Africa? I have not heard him explain that.

Andrew George: That is a big question to answer within the time restriction that I have given myself. Perhaps I will be allowed injury time.

Mr. Andrew Mitchell: I strongly disagree with the hon. Gentleman's contention that we should not hector the Governments of Africa. Where we think that they are letting down the people whom they are there to govern and lead, we should express ourselves in the strongest possible way, which I tried to do in relation to the Government of Zimbabwe.

Andrew George: Perhaps I did not express myself clearly enough. Of course we should express ourselves clearly when we disagree, but my point is that President Bush should also recognise that he should put his house in order with regard to trade rules. The US is dumping cotton on poor countries, which is having a detrimental impact and undermining the intention to improve poverty eradication in those countries.

Pete Wishart: Does the hon. Gentleman agree that there is a real distinction between good governance and corruption? Western Governments are imposing their political will on developing African nations, particularly on issues such as liberalisation of markets and insisting on privatisations.

Andrew George: I understand that the hon. Gentleman intends to catch your eye, Mr. Deputy Speaker, and he will have an opportunity to expand on those points.

The message that I hope that we can send to those at the Live 8 concerts and protests this weekend is that it is not an opportunity for momentary compassion for the poorest in Africa, but that it can be sustained. I hope that the Government will also be encouraging and look for opportunities in which that compassion and concern, expressed by millions of people in this country, can be expressed in practical application. One of the first things that can be done by those who are joining hands around Edinburgh or attending the Hyde park concert is to ask, the next time that they go to their large local grocery store, whether it can provide reassurance that their purchases will not damage the ethical standards for which they have just been campaigning, and will not harm the poorest people in African countries whom they have just attended a concert to support.

Mr. Charles Walker (Broxbourne) (Con): Will the hon. Gentleman educate the House as to who would actually answer that question if it were asked in my local Tesco or Sainsbury's?

Andrew George: There are campaigning non-governmental organisations engaged in a dialogue with the larger supermarkets, and they are raising questions about ethical standards. We want to encourage supermarkets. We are talking about transparency in government, but we should also have transparency in the commercial sector in this country, so that we understand more about the source of our bananas, coffee and other products, so that what we buy does not undermine the benefits of the work being undertaken to eradicate poverty in less developed countries. I hope that the Government will use their good offices to ensure that greater transparency can be facilitated.

2.21 pm

Mark Durkan (Foyle) (SDLP): I thank you, Mr. Deputy Speaker, for giving me the opportunity to address the House for the first time, in this important debate. I thank not just the Government for this timely debate, but the Secretary of State, not just for his contribution to the debate but for the immense efforts and determined initiative that the Government have shown on this issue—not just in the run-up to the G8 and the creation of the Commission for Africa, but dating right back to the creation of the Department for International Development and the policy reloading that that brought.

I stand here proud to uphold the values of the Social Democratic and Labour party—a party of consistency and persistence, as we have stood for non-violence, democracy and partnership as a better way to a better Ireland; and a party that is solidly social democratic, unashamedly Irish nationalist, but determinedly internationalist.

Of course I am conscious that I am more than an SDLP MP. I stand here democratically honoured to represent the interests of all the people of Foyle—whether they voted for me or for other parties' candidates, and whether they share my political beliefs or hold other views, different from mine but no less legitimate for that.

I also know my duty not just to speak up for my party or stand up for my constituents, but also to look out for the needs and rights of other citizens of this world. So it is in this debate on addressing poverty in Africa that I make my maiden speech. This carries some continuity from my predecessor, John Hume, whose last Prime Minister's question, earlier this year, was on this very same crucial issue.

The shadow Secretary of State mentioned that we are 20 years on from Live Aid—and 20 years ago this month, along with John Hume, I went on to a boat in the port of Derry, in my constituency, and met six stowaways from Ethiopia—refugees. Within days, the Home Office gave three of them refugee status and three exceptional leave to remain. Twenty years on, as we go towards Live8 and we face new African issues, we have to ask what prospects those people would face if they arrived now—just as the hon. Member for Vauxhall (Kate Hoey) raised questions about what we are doing with refugees from Zimbabwe now.

This debate will be full of echoes of the challenging things that Bono, among others, has said to us all about Africa. I agree with them all, just as I applauded Bono for hailing John Hume as a hero, and Seamus Mallon as a giant of Irish politics. There might be spin games in Northern Ireland about who won the war and speculation about who will win the peace, but there can be no doubt about who won the argument. With John the architect and Seamus the engineer, the SDLP provided the blueprint and the construct of the Good Friday agreement.

The key precepts of that agreement were first spelled out in a 1972 SDLP paper, "Towards a New Ireland", which was in two parts, one offering the political argument and the other an institutional model. It will surprise no one in the House to hear that John Hume was the primary author of the rationale, but it may surprise Members to hear that a major contributor to the model outline was Kadar Asmal—then a law lecturer in Dublin and head of the Irish anti-apartheid movement. Since then, of course, he has been Minister for Water, and more recently Minister for Education, in a democratic South Africa.

In getting his ideals to prevail, John Hume led our community from grievance to governance. In a different context, with hugely different challenges, the African National Congress led their people from grievance to governance. In the debate on Make Poverty History, some people raise questions of governance almost as a dismissive counterpoint to the demand for debt relief, proper aid and fair trade. But there can be no sustainable solution to the governance questions in Africa without radical and durable resolution of Africa's grievances. Wrong as they have been, it is not the bad behaviour or poor performance of some African regimes that created the inequities and iniquities of the world economic order that handicap that continent.

In no way can the challenges facing Northern Ireland be equated with the mass suffering that afflicts so much of Africa. My own constituency of Foyle suffered death and destruction in the troubles, and has endured structural neglect and under-investment for decades. It shows up in the league tables as having the highest unemployment, the worst rates of long-term unemployment and high rates of economic inactivity, and many of its wards are among those with the highest concentrations of multiple deprivation, including child poverty and fuel poverty. I will be returning to those and related issues in future debates, Mr. Deputy Speaker.

But there is another league table that Derry consistently tops—that for popular giving to support development aid and combat poverty in Africa and other developing countries. I believe that that stems from a spirit not just of charity but of solidarity. Derry is more forward-looking and outward-looking than many people know, as is evidenced in the great work of so many schools, Churches and other groups in the Make Poverty History campaign and for other causes.

Derry should not just be defined by the sort of stark indicators that I mentioned earlier, without also being described by its tradition of self-help, its pathfinding partnerships, its cultural offering, its working aspiration to be a "city of learning", and the enterprise shown even against difficult odds. So I know too that although all Africans want us to focus properly on the ills of poverty, disease, hunger, child mortality and lack of education and health services, they also want us to recognise their good endeavours, their initiative, their cultural vibrancy, their talents and their ambitions. They want us to recognise their efforts to grow out of poverty, to invest properly, to foster enterprise and deliver community-based development, to combat disease, to provide safe water, to keep children alive to school age and then to guarantee them a school.

It is when we see both what Africans are offering, as well as what Africans are suffering that we get a fuller sense of the compound injustice of their position. We cannot see corruption in African Governments and be blind to the corruption of an international economic order that locks people in poverty and stunts democracy, while mouthing "private enterprise" and "good governance" as a modern version of "Let them eat cake". We cannot preach property rights while we deny production rights.

The Make Poverty History campaign has three demands—debt relief, more and better aid, and trade justice. Debt relief is not just about writing off African mistakes. It is about righting a world wrong. Debt relief means allowing Africa to focus more of its own spending on its own potential, its own needs, rather than on liabilities that it should not owe anyone. It will release important margins of African countries' gross national product for investment in vital services such as health and education. It should mean that the benefits of economic growth allow more Africans to make a living, rather than allowing banks and institutions to make a killing.

I welcome the debt relief package for the poorest countries, brokered by the Chancellor with his G8 colleagues. Its value should not be underestimated, nor should it be overestimated. We need to recognise that many poor peoples in regions of hardship will not benefit directly. We also need to realise that funding debt relief from aid budgets can be seen as robbing Peter to pay Peter. More remains to be done. I believe that the Chancellor and the Secretary of State for International Development will try to get more and better, through, for instance, sponsorship of the international finance facility.

The second demand is for aid levels to rise to 0.7 per cent. of GNP. That target was set and promised as long ago as 1970, and has been set again many times by many countries. We now have the solemn commitments of the millennium development goals, which are not just about overall aid levels but about very specific outcomes in education, health, housing, safe water and so forth.

Judged on our record, our promises mean little or nothing. We are hardly in a position to preach to Africa about performance and delivery standards from Government. New promises on aid are overdue, but still under-reliable. Such commitments should be absolute and should do exactly what it says on the tin, with no more evasions consisting of micro-statistical comparisons with what others are not doing, or attempts to include popular donations to aid agencies. That applies not just to the G8 but to all countries, not least EU countries and particularly—for me—Ireland. I entirely back the case for targeting and tracking increased aid, but that proper priority should not be an excuse for our lack of urgency and diligence in living up to earlier promises.

The third plank is trade justice: allowing people a fair price for what they produce, allowing African countries to add value to what they produce, and allowing them to grow their way out of poverty. It must involve ending the travesty of their having to scale the high dam gates of protection tariffs around us when they struggle to avoid drowning as we flood their markets by dump-pouring goods below world prices.

While there are some critics of the case for debt relief and aid, none of us parliamentarians are being actively lobbied against them. That will not be the case when it comes to some of the issues in the world trade round building up to December. Interests in or near our constituencies will bring us legitimate concerns, as businesses or unions. Organised interests will lobby us on the implications and complications of trade round choices. In that confusion and concern, and after the hype of Gleneagles, we must not be tempted to fall for the Meatloaf standard that "two out of three ain't bad". We must not decide that trade justice can wait while we let better aid and debt relief work. Africa needs justice now—not two thirds of justice, but all of it.

2.31 pm

Mr. Andrew Mackay (Bracknell) (Con): It is a huge privilege to follow the hon. Member for Foyle (Mark Durkan). Nearly everyone in the House was delighted when he won a very difficult election in his constituency last month. He is a courageous politician who has had a distinguished career in Northern Ireland, most recently in the Executive and the Assembly. It was typical of him that his speech was not just about the Province, but was an international speech in a significant international debate. He also used the opportunity to point out, rightly, that the city he represents and loves, Derry, is a big city with a big heart, which looks outwards as he did. I hope that he will ably represent his constituency for many years to come.

This has been a significant debate in another respect. In my experience, there have not been many occasions on which we have heard two such fine speeches from the Front Benches. The Secretary of State is respected in all parts of the House for his huge enthusiasm but also for his hardnosed realism, matched with a rare eloquence. We have high hopes that he will continue his good work throughout this Parliament. I hope that the Prime Minister, or his successor, will not be so unwise as to move him in a reshuffle, because we need him in his Department for the entire Parliament.

I am delighted that my hon. and very good Friend the Member for Sutton Coldfield (Mr. Mitchell) is the shadow Secretary of State. He has the eloquence but also the financial expertise to make a large contribution. I think that the two of them will work very closely together.

There are plenty of opportunities in the House for us to have rigorous debates, to play the party political game, to score points and also, perhaps, to thoroughly enjoy ourselves. Increasingly, however, I have noticed that that is a thing of the past in the context of international development, and the speeches we have heard so far have illustrated that very well.

Having said all that, I hope that the Secretary of State will forgive me if I draw attention to areas of concern as well as areas of consensus, as he rightly said that he wanted to listen carefully to the whole debate.

It is taken as read, as hon. Member for Foyle rightly pointed out a few moments ago, that there are many aspects to this debate. It is essential that more funds be made available for Africa—that is agreed—but it is also essential that that money be well spent. The hon. Gentleman was also correct when he said there is no point in trying to create an enterprise culture if the first bricks are not in place. The first bricks have to be education and health, but they also have to include good governance. There also has to be a level playing field.

I have criticised before our American allies and our European partners, who are the two principal culprits. My hon. Friend the Member for Sutton Coldfield rightly criticised the common agricultural policy, which we have to work to change. It is not just overburdening our contribution to the EU and its budget, which is bad enough; what it is really doing is ruining farmers across the third world, but particularly in Africa. We have to

[Mr. Andrew Mackay]

put great pressure on President Bush and on Congress every time that we meet American politicians. We have to point out the harm that their food subsidies are doing to Africa. This American Administration rightly see the problems in Africa. They are being financially very generous, but most of that will be largely wasted if they do not reform their own subsidies.

Most of all, we have to continue to fight against corruption, bad government and abuse of human rights in Africa. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who is a considerable expert in this field, chided us by saying that Zimbabwe is not Africa. To that degree he is right, and the Secretary of State pointed out the many success stories, but the Secretary of State also rightly pointed out the failures. I hope that the right hon. Member for Coatbridge, Chryston and Bellshill will bear with me if I spend most of the remaining few minutes of my speech talking about Zimbabwe, not least because his Government and the Leader of the House have not behaved well in failing to get a Minister to make a statement at the Dispatch Box on Zimbabwe, particularly bearing in mind the outrageous acts of the Mugabe regime, which has demolished so many houses for political purposes and abused human rights. I have no facility to express my concerns other than that which attaches to this debate.

Although the Secretary of State was right to say that wherever possible, our aid should go direct to Governments in Africa—democratically elected, one hopes—who can then choose how best to spend that money, that clearly cannot be so in Zimbabwe. He and I had an exchange on this issue during questions yesterday, and I hope that when the Under-Secretary winds up, he will further confirm that where doubt exists—there is no doubt in Zimbabwe: it is a clear-cut case—and there is fear of corruption and the abuse of human rights, we will concentrate more on the non-governmental organisations and less on giving money to the Government in question. Only when we are satisfied that there is good governance and a lack of corruption can the money go to that Government. That is very important indeed.

It is tragic that we have not intervened—I do not mean militarily—to put greater pressure on Zimbabwe, and that we have allowed Mugabe to abuse his people. We have to ask ourselves why, when action is taken against wrongdoing regimes in the Balkans, the middle east and Afghanistan, it has not been taken in Zimbabwe. It is so condescending to African people to say, "Oh, it's different. We don't want to upset Africa. We have to do things gently." Initially, I accepted that the situation should be dealt with through the African Union, of which I am a big supporter. As the Secretary of State pointed out earlier, the African Union has done some good, particularly in the Sudan, the Congo and the Central African Republic. In Zimbabwe, however, its record has been disgraceful—as has, I am afraid, the record of President Mbeki. I am great supporter of what has happened in South Africa: the transformation since apartheid has been quite remarkable and the reconciliation achieved has been deeply significant. Yet there remains a complete blind spot over Zimbabwe. When we see the President of Tanzania positively applauding what is happening in Zimbabwe, it sends a shiver down one's spine. My hon. Friend the Member for Sutton Coldfield mentioned that earlier.

We have to put greater pressure on our African friends to take action in Zimbabwe and we need more effective sanctions. It is possible to apply more effective and sharper sanctions and it is possible to take action against the deeply revolting business men in this country who are helping to fund the regime in Zimbabwe. We know who they are and we know where they live: it is time that enforcement officers in this country, perhaps emboldened by fresh legislation, took action against them.

I conclude by saying that I hope that all these issues are properly taken into account during this deeply significant week with the G8 meeting at Gleneagles. If we just throw money at the problem and do not resolve the other issues, the effort will largely be wasted, which would be a very great pity indeed.

2.41 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I welcome my right hon. Friend's opening speech, which was excellent, spoken with passion and eloquence and, if I may say so, on the back of a good ministerial track record. I must however add that the congratulatory, nodding consensus across the Floor of the House on this subject is beginning to turn my stomach. I shall want to make some critical comments, but I believe that Gleneagles is a defining moment for this Government. There are a few rare occasions that expose the moral tenor of our times, and the Africa/climate change G8 may turn out, in the breadth of its positive vision, to be one of them. Given the sheer scale of what is being attempted and given that the British Government have been the prime impetus and driver behind the whole project, it must be said that if this can succeed, it will be one of the most important achievements—perhaps the most important achievement—of the Labour Government so far.

Securing international agreement on wiping out multilateral debt owed to the World Bank and the International Monetary Fund for 18 of the world's poorest countries, relieving them immediately of £22 billion of debt—a sum that might well be increased to about £28 billion in the next 12 to 18 months with the inclusion of a further nine very poor countries—is unquestionably a huge achievement. The significance of the deal is that dirt-poor countries such as Mozambique, Ethiopia, Tanzania and Zambia, which are now obliged to spend more each year on servicing the debt by paying the interest than on their entire health or education budgets, will now at last have a chance to begin the fight to escape extreme poverty.

The United Nations Development Programme report of a few weeks ago projected that on current trends—that is, before the current deal—there would be 5 million deaths of babies and infants under five in Africa over the next decade. That figure will now be significantly cut as a result of the deal—though, of course, not by enough. I believe that the doubling of aid from $50 billion to about $100 billion a year is still needed in addition. Earlier in the debate, there was some question about the purpose of aid. I believe that its purpose is to build roads and infrastructure, and to put in place the health, education,

training and other public services that are necessary for decent welfare and the economic take-off that the private sector will never provide on its own.

I know that President Bush is saying a bit more today, but the current US offer of $675 million is paltry compared with the extent of need. The US economy is worth $10 trillion; the US spends $400 billion every year on defence, but its aid budget is only 0.16 per cent. of GDP. It is the meanest of all the rich nations, but the Bush Administration are saying in effect that, for Africa, the US can afford an extra amount equal to only 0.08 per cent. of its annual defence budget. The Commission for Africa states in its excellent report that that is just one ninth of the absolute minimum that is necessary. The trouble is that the US never took much interest in Africa—at least until the 1990s, when oil was discovered off the west coast.

Quite rightly, much has been made of corrupt governance in Africa, and that dreadful problem needs to be tackled. It is used as an excuse to withhold aid, but helpful precedents have been agreed by NEPAD and some African Governments that would allow aid expenditure to be monitored and audited by independent agencies. That is a step forward. Moreover, the oil and mining industries that are notorious for bribing Government officials are now subject to transparency guidelines. Again, though, those guidelines must have force and they must be statutory.

The corrupt Governments in Africa are bad, but they are not the only ones at fault. We must not be blind to the fact that western practices are also reprehensible in some respects. All too often, tied aid is used as a form of subsidy for commercial exports. In addition, the US in particular often directs aid as a means of helping military allies such as Israel, and not as a way of relieving poverty. The ActionAid report released last month stated that 40 per cent. of global aid goes on over-priced assistance from international consultants. I know that my right hon. Friend the Secretary of State has challenged that, but the figure is certainly substantial. So when we hear members of the free-trade right scorn Africa's aid junkies, we must ask exactly who those aid junkies are, and who profits so handsomely from the global aid system.

Considerable advances in aid and debt relief have been made in the run-up to the G8 meeting, but they pale into insignificance when compared with the fundamental goal—to transform the profoundly unjust and discriminatory international trading system that impoverished the developing countries in the first place. We have always demanded free trade from those countries, so that their markets could be opened up to our multinational corporations, but we do not always reciprocate. We do not practise unfettered free trade, as we limit access to our markets by means of quotas, high tariffs, so-called voluntary agreements and a host of other restrictions whenever our domestic industries come under pressure.

If we are honest, we must admit that the west does not really believe in free trade. What we really believe in is safeguarding our economic dominance at all costs. Nearly all the aid, loan and debt-relief packages put together by the World Bank and the IMF are predicated on liberalisation conditionalities. Before they can receive aid, developing countries are required to agree to dismantle tariff barriers, open up to foreign investment, privatise state-owned companies, reduce public services and hold down wages.

Now we are at it again. Paragraph 2 of the pre-G8 Finance Ministers' statement says that to qualify for debt relief developing countries must

"boost private sector development"

and eliminate

"impediments to private investment, both domestic and foreign."

To take just one example among many, that means that Uganda will have to sell off its water supplies, its agricultural services and its commercial bank, all with minimum regulation.

I do not especially like that policy, but if it worked, a good case could be made for it. But it does not work. According to the World Bank's figures, in its recent report, across the 20 years from 1960 to 1980, before it and the IMF started introducing strict conditions on countries that accepted their loans, median annual growth in developing countries was 2.5 per cent. a year. In the 18 years from 1980 to 1998, it was zero or 0.0 per cent. precisely. Trade is the best route out of poverty, as we can all agree, but not if it is fixed to keep developing countries in subjection as mere suppliers of commodities at rock-bottom prices with severely limited access to western markets. Yes, we should cancel the debt, but we should cancel it unconditionally. We also conveniently forget that all countries that have achieved economic take-off have done so behind high protective walls, and I hope that we will consider that for Africa, too.

2.51 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I am grateful for the opportunity to speak in this important debate. I am always pleased to follow the distinguished and right hon. Member for Oldham, West and Royton (Mr. Meacher), with his long track record and undoubted concern on these issues. While he concluded on a more consensual note, a degree of anachronism crept into his arguments, because the whole point of the G8 and the Government's aims is that growth is not a zero sum game. The whole idea is that the growth of the rich countries can be spread through trade to help the growth of the developing nations and thus the world generally.

I start by setting out my total agreement with the proposition that the Government have a real opportunity at the G8 to set the agenda and the tone for the two paramount issues of far-reaching concern—climate change and relieving poverty in Africa. Those are the correct priorities, and they are laudable and timely. The Government have my party's support for those overarching themes. This is an occasion on which it is wholly appropriate—as my right hon. Friend the Member for Bracknell (Mr. Mackay) said—to say that the Secretary of State's speech was one of the best and most memorable that I have heard in this House, and I am grateful to him for it. Equally, I appreciated the response from my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell). There is a danger of the debate turning into a paean of praise, but the whole point is that we have a shared belief in the importance of the subject and in translating our will into effective action. That is the challenge for all of us in this debating Chamber as we discuss the deeply disturbing problems on the ground in Africa.

[Mr. Stephen O'Brien]

Africa is a vast place and the topic is vast. I hope that the debate will bring out many aspects of the topic, but each one of us has to do our best to focus on the issues on which we can gain some purchase, instead of trying to cover the whole canvas. My own interest is well known, not least because I am Tanzanian born. I am chairman of the all-party group on that country, as well as the all-party malaria group. I am also involved with the all-party Africa group, whose chairman I see in his place, as well as being vice-chairman of the Uganda group and the debt, aid and trade group, which used to be the heavily indebted poor countries group and before that the Jubilee 2000 group—changes of name that demonstrate how these issues have developed over time.

It is pleasing to note that Tanzania has seen a massive increase in the take-up of primary education, from 4 million to 7 million, to which the Secretary of State referred. Of course, as I was finding out in a conversation with the high commissioner of Tanzania to this country just the other day, the challenge is how to develop the secondary education system. By the time one gets any system in place for primary education, the cohort of children who benefit quickly become those who are challenged by the need to develop and consolidate the advantage, all of which has been hugely strengthened and assisted by the good will and financial aid from this country and many others. So that is now the challenge for Tanzania, as well as reaching out to the many rural areas where primary education has not even begun to become a reality.

Although such things, as the Secretary of State said, are certainly examples of aid that works, we need to pause for a moment to wonder whether the phrase that he might have used in his speech is that aid can and often does work, but not always. It is important for the future that western donor countries and their people continue to have the confidence that aid is worth while and an essential thing for us to do. That has been touched on, and it is part of the Secretary of State's and the Government's priority. So when we focus on poverty, in addition to the cancellation of debt, the big challenge now involves multilateral debt, which is subject to much wider agreements and where a solution is more difficult to secure.

Most of us feel that the progress made on private bank debt and bilateral debt through the Paris Club has been very significant and very helpful. However, we should bear in mind the words of Anthony Montague Brown—the former private secretary to Sir Winston Churchill—who, after Sir Winston Churchill died, went off into the City and the banks. In 1976 and 1977, he was instrumental in extending a lot of loans to developing countries. He said in his book that of course people never expected those loans to be repaid. When that is analysed, it is clear that those debts have long since been written off by those banks. The interest has long been way in excess of what was a sensible, commercial return. Let us face it. Many of those debts have in fact been cancelled—rightly—which shows the mental approach at the time.

We should not forget that there comes a time—perhaps this helps the argument of the right hon. Member for Oldham, West and Royton, who does not appear to be in his place at the moment—when we should think about cancelling, either without conditions or without too many conditions, the debts that are causing some of the continuing problems

Apart from hoping that the Secretary of State will carefully consider the arguments made by my hon. Friend the Member for Sutton Coldfield about the advocacy fund—a topic and policy in which I was glad to be involved in a previous incarnation in the House—my primary argument is that we must consider what gains the best leverage for the aid that is being translated from this country to Africa.

I am sure that many hon. Members are familiar with a very good body of work called the Copenhagen consensus, in which a rigorous assessment was undertaken of all the possible destinations for money in the developing countries and how best that can gain a purchase on the things that really matter when transforming those countries' structural inability to develop, so that they grow and gain the potential for economic independence. Such things were compared with many others that tended to be rather worthy.

I am inevitably bound to mention malaria. Hon. Members will know that I have an obsession with the need to tackle malaria. Rather than going through the detail, I shall quote what the Copenhagen consensus suggested:

"Many recommended malaria control interventions have a mean cost per Disability-Adjusted Life Year"—

even talking in those terms shows the hard-nosed assessments that we have to make, which the Secretary of State has been trying to establish—

"of less than ... $50 a day and most of them less than ... $25 which economists consider highly attractive in a very low-income country. As judged by the expert panel of Copenhagen Consensus, these are stunningly attractive investments. This panel of distinguished economists ranked controlling malaria as one of the top four global priorities that would yield the largest benefit/cost ratio."

Given that one of the other factors was dealing with climate change from the western world, we need to consider carefully whether we should devote aid to things other than health and education, clean water and the controlling of infectious disease. They bring the greatest advantages. In addition, we should free the rules for trade and support good governance.

How do we get the money past the tyrants to the poorest people? We face a difficult dichotomy. Where good governance exists, we should use it as a test and reward it with aid directed via Governments, through a liaison committee or non-governmental organisations. I used to think that aid should go directly to NGOs, but to reward good governance we have to go through the democratic processes so that democratically elected politicians gain some credit for what they have done. We should reward them "pour encourager les autres". Unfortunately, of course, les autres are often tyrants who do not allow people in the poorest countries to know about good governance. That is both a challenge and a dichotomy.

As there is a restriction on the overall package, we should use the money to best leverage effect and reward those who have shown good governance. It will increase the confidence of the west in continuing and sustaining that money if we ask for it to be directed where we would gain most leverage.

The Copenhagen consensus made it clear, through a rigorous test, that controlling infectious disease was cost-effective. HIV/AIDS and TB unquestionably belong in that category. So, too, does malaria, which is hollowing out the generation of children that replaced those killed by HIV/AIDS.

We must concentrate on training people to deliver health care. Malaria is treatable and curable. The all-party group on malaria recently produced a persuasive report and I am grateful to the Under-Secretary for attending its launch. We can all collectively be proud and confident that, rather than just being worthy, we are making a huge and effective difference to the future of Africa and its peoples.

3.1 pm

Ann McKechin (Glasgow, North) (Lab): It is a pleasure to follow the hon. Member for Eddisbury (Mr. O'Brien), who made a thoughtful speech.

Our debate will rightly concentrate on the statistical evidence of the need to address Africa's poverty, to release its potential to grow and flourish, but as the Commission for Africa report correctly states:

"We have to remember that behind each statistic lies a child who is precious and loved. Every day that child, and thousands like her, struggle for breath—and for life—and tragically and painfully lose that fight."

I have had the opportunity to visit Africa only since I was elected, and I have witnessed the outstanding beauty of the continent and the warmth of its people, but I recognise the scale of the challenge that they face and their overwhelming desire for a better future. I am sure that the hon. Member for Tewkesbury (Mr. Robertson) will remember our visit to Rwanda. I shall never forget the scenes at the genocide site and the gacaca trial that we attended.

Last September, I visited Zambia on a British Council parliamentary exchange and followed the hon. Regina Musokotwane around her constituency in the rural south. We visited two schools. One had been opened by the state government, after the local community had waited almost 30 years; the other was built by local people themselves with supplies from a US charity. They had no money for a qualified teacher. They had no power or even a water borehole, and the school could offer only a basic syllabus for the first two years of primary education. The people were incredibly proud of their achievement—rightly so; but at the same time as my visit, the World Bank and the International Monetary Fund were insisting on a nil budget deficit to enable the Zambian Government to reach the heavily indebted poor countries completion point. As a result, 5,000 qualified teachers had no job and the World Bank representative in Zambia was informing politicians that they should stop criticising his institution.

As the commission's report points out, debt relief is key to achieving the millennium development goals not only for the current HIPC group, but also for many other nations in sub-Saharan Africa. Was the meeting of G7 Ministers earlier this month what the Chancellor described as "a historic breakthrough" on the issue of debt? On certain key criteria, we can definitely say yes, but with the caveat that the fight to establish fully adequate debt relief has still some way to go.

I am chair of the all-party group on debt, aid and trade—formerly the all-party group on HIPC—and our group has long argued the justice of granting 100 per cent. debt relief to the world's poorest nations. I pay tribute to my predecessor as chair of the group, Julia Drown, the former Member for Swindon, South, for her marvellous work in pursuing that campaign. The decision taken at the meeting to grant 100 per cent. debt relief not only on the interest, but on the debt stock, for the world's 18 poorest countries, with another nine to be added in the next couple of years, was welcome.

The US Administration changed stance by agreeing to include International Monetary Fund debt as well as World Bank debt in the deal. That is significant because IMF debt is extremely onerous and constitutes half of all debt service obligations to the main multilateral institutions. The agreement to replenish the funds of the international financial institutions rather than reducing the amount available for grants was also significant. That news, when added to the recent announcement by EU states that they will effectively double their aid to Africa over the next five years and set a timetable to reach the target of 0.7 per cent, is a leap forward. I am sure that the private Member's Bill being promoted by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who is not in the Chamber, will help us to ensure that we reach that target.

This in itself is not however sufficient to allow Africa to meet its millennium development goals. Let us not forget that that was what the international community solemnly promised to achieve more than five years ago. We must go a great deal further and acknowledge now that such additional effort is achievable, rather than a pipe dream. Just last year, the international community cancelled $30 billion of debt owed by Iraq, which is more than has been delivered to the entire African continent over the past 10 years.

Even at this late stage, the G8 summit should next week consider extending the remit of the G7 debt proposal. The original HIPC list was drawn up in 1996 on a rather flimsy analytical basis and excluded key states such as Kenya and Angola. Kenya's total debt is $5.5 billion and 70 million Kenyans live on less than $1 a day, yet the World Bank considers its debt sustainable, despite the fact that 32 per cent. of its national budget is spent on servicing the debt, which is more than the amount spent on health and education combined. According to a debt sustainability analysis by the Jubilee debt campaign, Kenya needs total debt cancellation if it is ever to realise its millennium development goals. Some Kenyan politicians have suggested that the country is being penalised for keeping up debt payments. Debt relief seems to remain as elusive as ever for such nations.

It has been calculated that 35 non-HIPC, low-income countries warrant immediate 100 per cent. debt cancellation just so they can have a chance of meeting their millennium goals. To be fair, the UK Government have recognised that fact by agreeing to write off their share of multilateral debt for the world's poorest nations.

This month's agreement cancels only 10 per cent. of the debt owed by all 62 states with the lowest incomes which need 100 per cent. cancellation. The deal will

[Ann McKechin]

amount to $1 billion per year for the next 40 years. That is $40 billion in nominal terms, but it is perhaps more accurately described as a net present value of $17 billion.

I know that the US Administration was reluctant to accept the sale of IMF gold reserves to fund debt relief and that an alternative decision was reached, but given that we in the UK accept the case for using the IMF's vast undervalued gold resources for the further extension of relief, will my right hon. Friend the Secretary of State continue pressing the point in the international community that we should give more relief and that we have a method of expanding debt relief? The undervaluation is estimated at $35 billion, so surely it is unreasonable to offer the people of Africa less relief from odious debt than what is offered to the current Iraqi Administration.

I welcomed the deal on Nigeria that was reached this week at the Paris Club. Will my right hon. Friend indicate the total amount of relief that will be granted to Nigeria as a result of the initiative?

I turn quickly to the conditionality that surrounds debt relief. Although I fully accept that we must show that relief is genuinely used properly and specifically for poverty eradication, I argue that multilateral institutions must accept responsibility for the many mistakes that they have made in the past by imposing inappropriate economic policies that were not focused on poverty reduction. I welcome the paper by the Department for International Development and the Treasury on conditionality, which acknowledges that fundamental changes must be made.

I am worried that those states that have still to reach the HIPC process—there are a number of them—could find themselves in exactly the same position as Zambia last year by spending all their energies on achieving nil budget deficits, rather than employing teachers, who are vital in the fight against poverty. The statement of the G7 Finance Ministers makes no concession on that. Instead, it ambiguously refers to good governance, accountability and transparency as crucial to releasing the benefits of debt cancellation. That appears to be a further test applied to low-income states on top of the already demanding requirements of the HIPC process.

It has been difficult to draw the boundaries between good governance conditions and economic policy conditions, with policy reforms, such as privatisation, sometimes promoted on an anti-corruption basis. Of course, there should be accountability, but as the hon. Member for Eddisbury (Mr. O'Brien) said, if we truly wish to foster good governance and democracy in a genuinely equal partnership with African Governments, we have to allow them and their citizens to make their own economic decisions and to take responsibility. Will the Minister assure me that the Government will press for further relief not to be subject to economically damaging conditionalities?

I congratulate my right hon. and hon. Friends in the Department for International Development on their enormous efforts over the past few months to place Africa at the top of the G8 agenda next week. That is proper and fit. To use a cliché, we are going forward and not back, but we need to maintain that effort so that Africa achieves its full potential, which is what we all desire. I hope that the Minister uses his good efforts to persuade the G8 to go even further next week.

3.11 pm

Tony Baldry (Banbury) (Con): The hon. Member for Glasgow, North (Ann McKechin) made an excellent speech, which included some powerful points. She demonstrated that the right hon. Member for Oldham, West and Royton (Mr. Meacher) was wrong to dislike consensus. If hon. Members speak with a united voice, our message is that much clearer to the rest of the world. There are others whom we have to convince, not least Congress in the United States and colleagues in other legislative Assemblies, that what we want to do, and what we are promoting, is correct and that our policies are right. The House speaking with one voice is powerful.

I want to comment on climate change, conflict, capacity, commerce and commitment. On climate change, we have to recognise that what is happening at Gleneagles is not two separate debates on climate change and Africa, because they relate to each other. Climate change is important for Africa and developing countries. If I had one sadness in the last Parliament, it was that the International Development Committee's report on climate change and sustainable development did not get the coverage it deserved. I commend it to hon. Members.

Vulnerable communities will suffer from climate change most. It also contributes to conflict. One reason why we have problems in Darfur is that the Sahel desert is moving south and there is more desertification. Pastoralists who used to move their cattle around over the grass are finding it more difficult to find grazing land. They, in turn, put pressure on farmers, which led to conflict. That is all about climate change. Getting both things right is important. I hope that the G8 tackles Africa and climate change.

On conflict, the Secretary of State was right when he talked about peer review mechanisms and what is happening in Ghana and elsewhere, and with NEPAD. That is brilliant. However, there is no peer group pressure in Africa on conflict. There is no excuse for what is happening in Zimbabwe. There is also no excuse for neighbouring countries not exerting peer group pressure on Mugabe.

These debates are brilliant, but we tend to have two lots of debates. We have international development debates and we have foreign affairs debates, and the two never come together. It would be wonderful if both Secretaries of State were present or we at least had a Minister from the other Department to wind up the debate. The issues all interrelate. I suspect one reason why we do not have the sort of peer group pressure that we should have on Zimbabwe is that the South Africans are concerned about the collapse of Zimbabwe and what that would mean in terms of refugees coming across into their country. There is still no excuse for the lack of pressure, however.

There is no excuse for Nigeria not to hand over Charles Taylor to stand trial in the war crimes tribunal in Sierra Leone. We understand that it got him out of Liberia and provided him with asylum, but that was a long time ago. A UN-backed warrant has been issued

for Taylor to stand trial before a UN-backed court. He should stand trial, and if he does not, I hope that the UN war crimes tribunal will find a way of trying him in absentia. Such trials happened at Nuremburg; I see no reason why they should not happen in Freetown.

On conflict, we do not seem to have a coherent strategy on military or other intervention for the purposes of humanitarian relief. Everything is done on an ad hoc basis: the French went into Côte d'Ivoire; we went into Sierra Leone. We have a different mechanism now for Darfur. The African Union is fine; those of us who have seen its work were very impressed, but we are never quite sure how it is going to be funded. Different Secretaries of State come to the Dispatch Box at different times and say that it will be funded by NATO or the European Union, or perhaps by a bit of money from the United Nations. There is absolutely no coherence on this issue. If we have another humanitarian crisis in Africa, who will take the lead? On what basis? According to what ground rules? There is also no excuse for Ethiopia not acknowledging the international arbitration over Ethiopia and Eritrea. In all these situations, there are some things that Africa has to do and others that we have to do. We need much greater coherence in regard to the way in which the international community intervenes.

The Commission for Africa's report clearly states that capacity is the most important factor. One of the things that strikes us when we visit Departments and Ministries in Africa is how thin the capacity is. The report makes it clear that it is important that more be done to train civil servants, and to develop higher and further education and skills in Africa. About three quarters of those who leave Africa to pursue higher education never return. What has happened to higher education in Africa over the past couple of decades has been a tragedy, and it is now in need of considerable investment. We also need to help parliamentarians in Africa, as we have said on many occasions. We have organisations such as the Commonwealth Parliamentary Association, and they should do more to support parliamentarians in Africa, to enable them to understand what is involved in holding Governments to account.

On commerce, the figures show that Africa's economies need to grow by 7 per cent. a year if there is to be any hope of meeting the millennium development goals, yet many are growing by no more than 1 per cent. a year. The vice-president of Sierra Leone was speaking today at Chatham House about how his country was going to go forward, but very little is happening there. It would be very difficult for its economy to grow by more than 1 per cent. a year at the moment. During the last Parliament, the International Development Committee went to South Africa. The unemployment rate in many of the townships there was between 60 and 70 per cent.

We all talk about health, education and AIDS in Africa, but an issue that we must all address is that of enterprise. Where are the new jobs going to come from? We saw Lesotho get a toe-hold in the textile industry for a while, only to get completely knocked off course by what is happening in China. Of course, what happens at the WTO talks in Hong Kong later this year will be very important, but south-south trade is also important, and there is a great deal of trade that does not involve the reform of the WTO rules. It is difficult to see how even a country as influential as South Africa can be sustainable in the long term if it continues to have to support unemployment rates of 60 or 70 per cent. We need to pay a lot more attention to commerce.

On commitment, some people believe that if we manage to achieve what the Prime Minister and the Chancellor hope to achieve at Gleneagles, we shall be able simply to tick that box. However, this is a long-haul issue. We are miles behind on the millennium development goals. What leaves the greatest impression on my mind when I visit Africa is the persistent, grinding, unremitting poverty that so many people have to endure. We must tackle that problem, but it will not be done in a matter of weeks or months; it will require a long-term commitment by all of us in the House over many years. It is brilliant that there is now broad cross-party agreement on that, because Governments—irrespective of their political persuasion—will need to maintain that commitment over the next five, 10 or 15 years. We have a simple choice as a civilisation—either we get this right and meet the millennium development goals or we just turn our back on Africa and shut the door. From some articles and reports in the press it is clear that some people are urging us to do the latter. They do not see the point of investing in Africa or of caring about it. We care about Africans, because they are fellow human beings, and are as valuable, valid and important as any other individual. Our commitment must therefore be long term. The fact that in the past few years these issue have risen up the political agenda in the House and the fact that the Prime Minister and the Chancellor of the Exchequer are making a political commitment are to be greatly applauded. Everyone in the House hopes that they will succeed at the G8 conference and that we can take a definite step forward to ensure that we meet the millennium development goals by 2015.

3.20 pm

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): I am grateful for the opportunity to speak in this debate. I pay tribute to the sterling work that the hon. Member for Banbury (Tony Baldry) has done as Chairman of the International Development Committee. We are all grateful for his chairmanship of that Committee in the last Parliament. I congratulate the hon. Member for Foyle (Mark Durkan) on his maiden speech and, as has been said, his contribution over a period of many years to the Northern Ireland peace process. It has been lonely and rocky, but it needed courage, which he has shown in abundance. I welcome him to the House and wish him well in his endeavours both as leader of the Social Democratic and Labour party and as a Member of Parliament.

I congratulate the Chancellor and the Secretary of State for International Development on the agreement that they secured from the G8 Finance Ministers. The fact that all multilateral debts and some bilateral debts have been written off is a huge step forward. Congratulations should also go to ordinary people. For many years, my constituents, as well as Churches and voluntary organisations in my constituency have worked with me on the Jubilee 2000 campaign and other initiatives. More than 3,000 of my constituents signed up to those campaigns, so there is enormous enthusiasm locally. Many events have taken place in my local schools over the years. More than a year ago, on my

[Mr. John McFall]

return from a visit to Zambia, we organised a Christmas response to the problems there. Almost £18,000 was generated by the local community, including primary schools. St. Michael's primary school in my constituency, for example, contributed £1,500. Christie Park school mounted a spontaneous concert and gathered £200 from parents as they came to collect their children from school. Secondary schools, including the Vale of Leven academy, Dumbarton academy and, in particular, Our Lady and St. Patrick's high school have a taken lifelong interest in the subject.

Eammon Cullen is one of the teaching colleagues with whom I used to work. He teaches at Our Lady and St. Patrick's, where he organised a justice and peace group. It has been in existence for more than 20 years, so the young people in my constituency can say that they worked on these initiatives before we did. I pay tribute to Eammon and his colleagues. He is about to retire after 30 years' teaching service in Our Lady and St. Patrick's school, but his interest will not decline and he will work with renewed vigour on justice and peace and other issues that are vital to the Gleneagles summit. Without that groundswell of support, the Government and the G8 would not be where they are. May I therefore suggest to the Minister that, given the enthusiasm of young people in my constituency and elsewhere, he and the Secretary of State should devise an initiative to engage them? They could provide finance and opportunities for them to engage with a particular country in Africa and thus achieve a constituency focus on the subject. The only way we will take the goals forward is by passing the task from generation to generation. Given the good work that young people have undertaken to date, I would like the Government to respond with an initiative such as I have suggested.

We have a once in a lifetime opportunity, as has been said. The UK is hosting the G8 summit, the UK holds the EU presidency, the UN summit on the millennium development goals is taking place later in the year, and the World Trade Organisation ministerial meeting will be held in Hong Kong in December. To date we have failed miserably on the millennium development goals. The rich nations pledged that there would be primary education for all in the developing countries by 2015, but present estimates indicate that it will not be universally available until 2130—115 years late. The rich nations pledged to halve poverty by 2015, but that will not be achieved until 2150—135 years late. The rich nations pledged to eliminate avoidable infant deaths, but that will not be achieved until 2165—150 years late.

If a citizen of one of the developing countries asked whether there was any justice in the world, the answer would manifestly be no. Does that make the task impossible for us? Certainly not. There needs to be a much more urgent focus on the three intertwining strands of aid, trade and debt. We have heard today about aid to Africa. From 1981 to 2001 the number of poor people in Africa doubled from 164 million to 313 million. That level of deprivation is unconscionable. It is accompanied by disease, conflict and squalor.

The injustice in global trade has been mentioned. The rich countries' massive support and protection for their own agriculture is paradoxical, since agriculture is the sector with the greatest potential in Africa to decrease poverty and achieve the pro-poor engagement that is so crucial, particularly to rural Africa. On debt, notwithstanding the agreement that has been made—we do not yet know the details—Africa still owes almost $300 billion and pays off $15 billion a year in interest and fees. Only seven states out of the 53 in the African Union have seen their debts reduced to sustainable levels.

I mentioned Zambia. I have had a number of contacts with civic society in Lusaka, having visited on a few occasions and having welcomed representatives of that society in the United Kingdom. One of my friends, Peter Henriot, runs the Jesuit Centre for Theological Reflection in Lusaka. Peter and his group undertook an economic, social and cultural rights survey in March this year. One of the issues on which they focused for countries like ours was employment. At present 90 per cent. of Zambians are unemployed or work in precarious conditions in the informal sector. They are hampered by inadequate skills, inadequate capital and inadequate support for infrastructure. When we discuss aid, it is important to focus on transport and other aspects to ensure that people in rural areas can be involved in and welcomed into the country's economic development.

Despite the fact that the Zambian Government provide free primary education, education is gradually becoming the privilege of the very few. Tuition fees in colleges and in the two universities in Zambia range between US$60 a year and US$1,600, which is beyond the reach of the vast majority of Zambians. On public health, my colleagues tell me that only 15 per cent. of houses have access to proper toilet facilities. The 2000 census on population and housing indicates that although 49 per cent. have access to safe water, 51 per cent. do not. The lack of access to clean water and sanitation presents a huge risk to public health in that country. The statistics are dismal, but they remind us of our task.

Mention has been made of the economic and social progress that our country had to make, so let us compare our country with Zambia. In the UK, the death rate per 1,000 population is 10.8, whereas it is 20.23 in Zambia, which is double the UK rate. In the UK, infant mortality is 5.16 per 1,000 live births, whereas it is 112 in Zambia. In the UK, life expectancy is 78.5 years, whereas it is 37 years in Zambia, where 23 per cent. of under-fives are underweight, too.

The hon. Member for Mid-Bedfordshire (Mrs. Dorries) asked, "Why has Africa gone backwards?" Africa has gone backwards since the 1960s. Living standards and growth levels in Africa in the 1960s were greater than they were in the 1990s, but does that mean that we should halt our support—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

3.31 pm

Pete Wishart (Perth and North Perthshire) (SNP): Thank you, Mr. Deputy Speaker, for allowing me the opportunity to participate in what has been, as expected, a fascinating and enthralling debate.

I pay tribute to the maiden speech by the hon. Member for Foyle (Mark Durkan). His reputation precedes him, and I am sure that he is a worthy successor

to John Hume. In the summer, an SDLP Member and I are visiting the Democratic Republic of the Congo, and I am looking forward to it.

As has been said, Africa is a huge subject, and no one speech can do justice to the myriad issues. My particular concerns are the conditions imposed on debt relief—so-called conditionalities—and compliance, which concerns the international community's failure to honour its commitments to Africa in previous years and decades. I will even suggest a mechanism, which would be easy to set up, by which we can honour any new commitments that might be made at next week's G8 summit.

The Government's decision to place Africa on the G8 summit agenda was inspired, and I congratulate them on galvanising public opinion and making Africa part of the public consciousness, which has created an almost unstoppable and insatiable demand finally to address African poverty. However, expectations are heady and the issue could become a cross for them to bear, because the British public expect the rhetoric to be matched by action. I urge the Government not to resort to their Pavlovian instinct of spinning—some of the Chancellor's contributions have come close—because the British public, who expect action to be taken, will find them out.

Next week, the expectation will reach a crescendo as the G8 circus eventually rolls into Perthshire. I am sure that Scotland will be an excellent host, and I am looking forward to it putting on an excellent show. I will be marching with colleagues in the Make Poverty History march in Edinburgh on Saturday and am also fortunate enough to have secured my tickets for next week's Live 8 event at Murrayfield, where I look forward to seeing the cream of Scotland's artists and international acts.

It is an understatement to say that my constituents in Perthshire, along with people in Edinburgh and throughout the rest of Scotland, are bracing themselves for the arrival of the G8 summit with a mixture of apprehension, concern and anxiety. Perthshire will bear the brunt of any pain created in the next few weeks, but hopefully it will also gain, because we will be highly visible throughout next week as images of our beautiful corner of the country are transmitted across the world.

Like all hon. Members, I hope that real progress is finally made on addressing African poverty at the G8 summit. The G8 summit has rightly been described as a once-in-a-generation opportunity to get to grips with the problem, and it is there to be grasped. It would be fantastic if that beautiful little corner of Scotland is for ever and a day associated with making progress in Africa, and it would be wonderful if the "Perthshire accord", or whatever we call it, were for ever remembered for starting to make poverty history.

It now seems as if everybody and their granny is getting involved in the debate about Africa. Even the BBC has discovered where Africa is and has shown some fantastic programmes in the past few weeks. Of course, all my old chums from the world of rock and roll are gearing themselves up for the Live 8 concerts next week. Although I do not share Bono's view that Blair and Brown are the Lennon and McCartney of international politics—my hon. Friends and I see them more as its Laurel and Hardy—I welcome the contribution that Bono, Bob Geldof and the rest of these international artists have made to creating the groundswell of public support for trying to deal effectively with poverty in Africa.

But in order to make progress on Africa, it is time for the politics to kick in. That is our job. We must finally ensure that there is compliance and that we get the best possible deal that we can in order to address African poverty. The last thing that anybody wants is for this massive circus to come into town, say a few words, and then pull up its pegs and go on its way again. There would be massive frustration and disappointment if we were marched to the top of the African hill only to be marched all the way down again.

That is why in recent weeks I have called for a legacy—a permanent resource—to be left behind in Perthshire to ensure that whatever is agreed to next week is adhered to and that the commitment has been made. We must have some mechanism in place to ensure that the big promises that we expect to be announced next week are finally turned into reality on the ground, that the work is co-ordinated, and that any agreements reached at Gleneagles are effectively monitored and acted upon. I have even written to the Prime Minister to suggest the establishment of a co-ordinating centre bringing together the G8 Governments, the African nations, the non-governmental organisations, the charities, and the academics involved in this field to establish best practice and to ensure that all the commitments that we have made to Africa are delivered. Of course that should be financed by the G8 and should be in beautiful Perthshire near to the site of Gleneagles.

Compliance is important. When we look at the record of the G8 nations, we have to acknowledge that their compliance has been pretty poor in terms of what they have agreed to in their summits and the commitments that they have given to the developing world. The international community has consistently let Africa down at times when it has promised the earth. We are nowhere near meeting our international commitments. The millennium development goals now seem like nothing other than distant aspirations. There has been no real progress on the targets that were set on HIV/AIDS, peace-building, and so on. We have gone backwards in Africa instead of forwards. Following the Toronto G8, research found that G8 members comply only modestly with their commitments. That cannot happen with important commitments to Africa, which is why the legacy—the permanent resource—must be left behind. We cannot allow Africa to be left on its own once more.

While compliance is being monitored, it should also be possible to look at the conditions for aid. The setting of conditions for debt relief and aid should be as apolitical as possible. Politically dogmatic western Governments should not be trying to impose their political will on African Governments. I have big problems with the conditions imposed on debt relief by the G8 Finance Ministers in recent weeks. Yes, we must tackle poor governance and corruption. Corruption cripples poor nations, especially in Africa.

I recognise that, as the hon. Member for Eddisbury (Mr. O'Brien) said, tensions are involved in tackling poor governance and corruption, but we should do what we can to ensure that those who are subject to appalling dictators and despots are not left in the poverty in which they find themselves. We have to be just that little bit

[Pete Wishart]

more creative in how we deal with the tensions. It is not good enough to draw up lists of the worthy and deserving and, by implication, a list of those who have been discarded. No one can argue against good governance, and everybody would want aid to be targeted to the nations and regimes that will ensure that it is passed on to their populations, but I am concerned when those conditionalities start to intrude into how Governments should govern.

The right hon. Member for Oldham, West and Royton (Mr. Meacher) mentioned the Finance Ministers' report, in which they referred to

"eliminating impediments to private investment".

What they meant was that commercialisation, privatisation and the liberalisation—

Mr. Walker: Does the hon. Gentleman agree that the rule of law and property rights in South Africa have encouraged private investment, and have made that country a beacon of hope in Africa? Before he dismisses private investment entirely, perhaps he should consider what it has done for South Africa over the past decade.

Pete Wishart: I thank the hon. Gentleman for those remarks, and I agree with them. In some instances, private investment is exactly the right way to go, but the one-size-fits-all approach of western Governments demanding liberalisation and privatisation is a step too far. The right hon. Member for Oldham, West and Royton mentioned the example of Uganda and the privatisation without regulation that costs that nation millions of pounds. It gets worse—to qualify for the next round of debt relief, the Ugandan Government must sell their water supplies, agricultural services and commercial banks, probably at great loss to that nation again.

John Hemming (Birmingham, Yardley) (LD): Does the hon. Gentleman agree that one can distinguish between the need for the rule of law and privatisation? One can have the rule of law without necessarily having privatisation.

Pete Wishart: Absolutely. The hon. Gentleman makes a good point, and I hope that he has an opportunity to expand on that if he catches your eye, Mr. Deputy Speaker. Certain things work for certain countries, but the attitude that western Governments must impose their view of what should happen in Africa concerns me most.

Lastly, I want to acknowledge the role of Scotland. We are hosting the G8, and we will have all those fantastic demonstrations. I hope that Scotland will be seen positively around the world, and that the events pass off peacefully. I am concerned about some of the security and policing issues—I still do not know who will meet the £100 million expected costs of hosting the G8, and I certainly hope that it will not be the council tax payers of Perth and Kinross.

I want to praise Scotland's First Minister, however, for undertaking his mission to Malawi several weeks ago. He has rightly upped Scotland's international ambition by taking that trip, and I hope that he is congratulated by the Minister in the wind-up. The First Minister has acknowledged that Scotland has a particular and specific role to play in the developing world, especially in nations such as Malawi, with which we have a great association through the work of David Livingstone and Christian missionaries in the 19th century. I hope that that is noticed. The First Minister acknowledged that we have that distinctive role—I agree with him—and I am glad that he did so.

If we can achieve that in Malawi, however, surely we can do it in other nations, too. I do not want Scotland's ambition thwarted; I want to see Scotland do a lot more of that. I encourage the First Minister, the Scottish Executive and the Scottish Parliament to undertake more of that type of work. I also believe that were we a sovereign, self-governing nation, we would reach that 0.7 per cent. target, as other small nations have done, which has proved elusive for some of the larger Governments.

I am looking forward to next week, which I think will be a fantastic week for Scotland, and to a new role for Scotland internationally. Let us ensure, however, that any decisions taken at Gleneagles in Perthshire next week are acted on, and that we get compliance. Let us ensure, too, that we do not make eliminating poverty conditional.

3.43 pm

Gordon Banks (Ochil and South Perthshire) (Lab): In approaching this debate, I am reminded of the defining statement of the Labour party, produced on the back of each membership card:

"by the strength of our common endeavour we achieve more than we achieve alone".

Through that statement of principle and notion of solidarity, I hope that our fellow parliamentarians and legislators around the world, and our fellow people around the world, come together sincerely to address the huge injustice that exists in Africa.

Levels of poverty in Africa are beyond that which many of us in the Chamber can comprehend. Despite the images on our television screens, and the reports from Sudan, Ethiopia, Kenya and other nations, we cannot truly comprehend what it must be like to live on £1 a week or a small portion of rice a day, or to walk miles just to collect a small amount of water. Our life of relative luxury does not come close to the endless hardships faced by the people of Africa. By the strength of our common endeavour, however, we have already begun to achieve something.

In Uganda, debt relief of £700 million in 2000 helped to increase its poverty reduction budget by 75 per cent. Since then, Uganda has abolished health user fees, and attendance in clinics has risen by a staggering 87 per cent. In Rwanda, the revenue authority has increased revenue by 40 per cent. over two years, allowing the Government to double spending on health and education and improving the lives of many Rwandans, both young and old. Possibly more importantly, we have written off 100 per cent. of the debt owed by the poorest countries to the UK.

We cannot become complacent, however. We cannot stop working towards a greater good for the continent of Africa. In a week's time, the leaders of the world's eight richest nations will meet at the Gleneagles hotel in my constituency. This will be a real chance to increase

the speed at which change is brought about and to give back to Africa some of what was taken from it during the years of imperial rule.

Debt relief is a vital part of the relief of poverty in Africa. Nations can spend a lifetime simply paying back the interest on their debts. All too often, the moneys involved are small for western nations but huge for the African nations, where the debts hang round countries' necks, prohibiting their development and progress.

This Labour Government's commitment to debt relief has led the way for other nations. The Prime Minister, with the Secretary of State for International Development and the Chancellor of the Exchequer, has constantly maintained the pressure on other nations to join our campaign to eradicate poverty. We now see the beginnings of the international finance facility, pledges to ensure that Government spending on aid reaches 0.7 per cent. of GDP, and a dedication to wipe out the debts of those nations so that they can begin to lift their citizens out of poverty.

However, debt relief must be coupled with governance changes in those countries. Democracy needs to be strengthened, and corruption stemmed. We must provide the necessary assistance to individual African nations to help them to diversify and stimulate internal and external economic relationships, and to become more fiscally understanding of the needs of good governance.

We cannot simply write off debt in the hope that countries that have been ravaged by dictatorship, military rule and war will bloom into model nation states. Corruption is a huge problem, and improvements must be made to ensure that the assistance reaches the people whom it is meant to reach. We cannot assume that individual nations can always make those changes on their own. We must provide them with the help that they need to take those steps, so as to guarantee that the debt relief that this Government and many others have fought to secure can be effectively managed.

Addressing debt relief and governance will not solve all Africa's problems, however. There were 40 million people living with HIV/AIDS in Africa in 2003, with 5 million new infections in that year alone. HIV/AIDS directly or indirectly affects nearly everyone in Africa. Hundreds of thousands of children are left orphaned by parents who have contracted the disease, and the stigma attached to the illness breaks up communities. The cost of drugs that help fight the infection make those who suffer even poorer.

The IFF will allow us to build the health care systems that those countries need to combat HIV/AIDS, and to implement a plan for prevention and care—and, I hope, one day a cure. Nelson Mandela said that AIDS is a curse that we must not deny, and better education in countries such as South Africa can help to set the world on the right track in combating HIV/AIDS. Campaigns waged by religious groups encouraging young people not to use condoms must be addressed, and the denial of assistance by foreign governments to organisations that provide condoms as a method of HIV/AIDS prevention should also be corrected. Religious beliefs should not be ignored, but neither should the devastating consequences of such misdirected advice.

The cost of AIDS drugs to many in Africa is phenomenal. All too often, western companies charge more per dose in developing nations than in their home nations. I cannot place a price on the cost of a human life—but it appears that many pharmaceutical companies can. I see companies with soaring profits that publish catalogues of their compassion in helping developing nations, but still charge just enough for HIV/AIDS treatment to ensure that their shareholders dividends are kept high. They give with one hand and take away with the other.

The IFF advance purchase scheme could prevent more than 1 million deaths a year. The work by the Global Alliance for Vaccines and Immunisation and the generosity of the Gates Foundation have helped to secure vaccinations for 50 million children around the world. I am proud to see the £1 billion pledged by this Government to the finance facility for immunisation. That is a real start to addressing the plague of diseases that blight so many countries in Africa, and attention must now be drawn to how we can tackle the damage done by malaria.

Scottish First Minister Jack McConnell's comment that the west is increasingly developing rampant consumerism and a "must have" culture, leading us to huge waste, is correct. Consumerism and the protectionism that is so closely associated with it hold back nations that are struggling to develop. As the Chancellor said yesterday in his speech to UNICEF, we should be opening our markets and removing trade-distorting subsidies. We must more urgently tackle the waste caused by the common agricultural policy by setting a date for the end of export subsidies.

I am confident that through our presidency of the European Union we shall be able to begin to address the issues of agricultural subsidies, and help to combat trade issues which mean that it is cheaper to import rice from America to southern Senegal than to grow it and transport it from the north of Senegal to the south. Big business should not profit at the expense of people and the environment. Greater corporate responsibility must go hand in hand with freer trade. We must end the export dumping that damages the livelihoods of the poorest communities in Africa. We must fight corruption, work to improve the health and education of millions of people in Africa, implement debt relief programmes and investment, and open the markets to provide a truly free-trade environment.

The fruits of this Labour Government's leadership in regard to poverty in Africa are already beginning to show. Even President Bush's comments yesterday reflect the willingness of other nations to listen to my right hon. Friends the Prime Minister, the Chancellor of the Exchequer and the Secretary of State for International Development. However, I urge those who will attend the G8 summit at Gleneagles next week not to let this opportunity pass. We have been here before. We have seen discussions take place on the need to address poverty and debt relief in which much has been promised and little delivered. I hope that the actions of my right hon. and hon. Friends at DFID in recent years have shown that this time it is different, and we will deliver. I fear, though, that a watered-down result from next week's discussions may harm future attempts to address global poverty, despite the advances that we may make at Gleneagles.

3.51 pm

John Barrett (Edinburgh, West) (LD): It is a great pleasure to follow two Members—the hon. Members for Perth and North Perthshire (Pete Wishart) and for Ochil and South Perthshire (Gordon Banks)—who represent different parts of Perthshire, where the G8 summit will be held. Apart from the summit, we shall have the Make Poverty History march, which will take place in my own city of Edinburgh, the Live 8 concert, which will be attended by the hon. Member for Perth and North Perthshire, and the descent of the potential million forecast by Bob Geldof on the city during the following week.

The summit may constitute one of the most significant meetings ever to take place in Scotland. The decisions and agreements made there will undoubtedly have a huge impact on the future of not just Africa but the entire planet. The G8 nations account for 65 per cent. of global GDP and 47 per cent. of global carbon dioxide emissions. With climate change and Africa dominating next week's G8 agenda, it is no exaggeration to say that those countries, acting together, could make an enormous difference on both issues.

As the Prime Minister said several years ago, Africa remains a scar on the conscience of the world. Despite all the words and all the promises, the scar is far from being healed. For too many years, political leaders have sat on their hands making grand gestures when real action has been required. The G8 summit marks a unique opportunity for the UK to lead the way and broker an agreement to help Africa lift itself out of the extreme poverty that it is experiencing. It is an opportunity that we cannot afford to squander.

It is important to pay tribute to the work of the Make Poverty History campaign, which has been extraordinarily successful in bringing this issue to the forefront of debate in the House and throughout the country. For many years, I have witnessed at first hand in Africa the terrible effect of poverty and also the real potential for the future. Allowing Africa to take control of that future requires meaningful action on our part in three fundamentally important areas: aid, debt and trade.

We must be committed to the principle of fair trade, not just free trade. We must drop the remaining debts that continue to cripple so many African countries, and we need all the G8 countries to make real strides towards meeting the requirements on international aid to achieve the millennium development goals. At the same time, it is crucial that we continue to tackle corruption, and support and encourage the transition to stable democracy throughout Africa.

It is clear that poverty in Africa cannot be eradicated without a major increase in international aid. The millennium development goals require that all countries work toward providing 0.7 per cent. of their national income in aid. The target is both realistic and achievable, but currently only five of the 22 major donors have met it. The UK Government have done well finally to establish a timetable for reaching the target, but 11 donors still have no timetable and many appear to be in no hurry. If current trends continue, Canada will not reach the target until 2025 and Germany will not do so before 2087.

What is more, the sums that rich countries currently invest in tackling global poverty remain embarrassingly small. Even worse, the wealthier that these countries have become, the less they have given. The sad truth is that today, the world's richest countries give half as much, as a proportion of their income, as they did in the 1960s. The Government of the USA, the richest country in the world, spend just 0.1 per cent. of gross domestic product on aid, yet the same Government are able to find twice as much to spend on the war in Iraq as they would need to spend to increase their aid budget to 0.7 per cent. of GDP. I very much hope that the G8 summit will provide the Prime Minister with the opportunity to show the benefits of his special relationship with George Bush by his persuading the USA to commit to those increases.

On top of this, too often the aid and assistance that we have given has been unhelpfully politicised. In recent years, the very goals of development aid have been redefined to suit the new security agenda. For example, in Denmark, Japan and Australia, combating terrorism is now an explicit aim of official aid programmes. It is a question of priorities, and I am afraid that ending poverty in Africa is simply not at the top of that list. In recent years, it has not even been close.

It is clear that poverty in Africa will not be solved by simply throwing money at it. Without a wide-ranging change in how aid is delivered, it will not achieve maximum benefit. Aid needs to focus better on the needs of the poorest, which means more being spent on basic health care and education, for example. Aid should no longer be conditional on recipients promising economic changes such as privatisation or deregulation of services, and the interests of the donor country certainly should not be put above those of the recipient. Currently, almost 30 per cent. of G7 aid is tied to an obligation to buy goods and services from the donor country. That is a truly shameful statistic.

It is worth noting that many countries that we now consider "developed" would not enjoy their current economic status but for their having received substantial amounts of aid. Lest we forget, after the second world war, 16 western European nations—ourselves included—benefited from grants from the USA worth more than $75 billion in today's terms. Those grants underpinned our economic recovery and have helped to create today's climate of peace and prosperity. More recently, EU structural funds have supported growth in Spain and in other southern European countries. Yet even though it has been proven that aid can work effectively, African countries have not yet benefited from the same generosity.

I will not say much on debt, given the Chancellor's recent announcements about increasing the number of countries to be freed from debt, which were welcome. I hope that they will be followed by the announcement of more initiatives in the week ahead. But even if African countries are freed from debt, their situation can only improve with a change in the way that we trade with them. By developing a genuinely liberal and international trade policy, we can enable major opportunities for growth and development in the parts of the world that need it most. Currently, the rules of international trade remain stacked in the favour of the richest and most powerful countries. Opening European markets to the products of the poorest countries would help their economies, and stopping the

dumping of subsidised EU food in Africa would help African farmers to become more self-sufficient. These basic acts could do more than aid could possibly hope to achieve. An increase in Africa's share of world exports of just 1 per cent. would be enough to raise the equivalent of more than five times the total amount of aid given to that region.

We are part of the solution, but we are also part of the problem. A timely report published last week by Oxfam and Amnesty International highlighted the extent to which the UK and other G8 countries are exporting arms to many African countries, fuelling poverty, oppression and human rights abuses. The report pointed out that Britain, France and the US have made more money in the past four years from arms exports to Asia, Africa, the middle east and South America than they have offered to those regions in humanitarian aid. This report comes at just the right time to remind us of our role in Africa's plight. Rather than just being spectators to a crisis, in many instances we are playing a leading role.

Poverty in Africa has been created and sustained not merely by chance or nature, but by a combination of factors—injustice in global trade, the huge burden of debt, insufficient and ineffective aid and global warming. They all play their part and each of those factors is determined by human decisions, yet we continue to condemn Africa to a future of poverty through our consistent failure to act on those issues.

We are partly responsible for the continuing plight of much of Africa and we must start living up to that responsibility. We need to recognise that we have a responsibility and a moral obligation to act. A good test of the humanity of a society is how it treats the least privileged—and many of them live in Africa. The eyes of the world are on the G8 next week. We must all ensure that, after everyone has gone home, the momentum is maintained.

We could do worse than follow the example of one of my own constituents, John Mackay, who has launched an organisation called Sailing for Justice. Included in that organisation's project is a non-stop circumnavigation of the world, starting and ending in Scotland and taking the Make Poverty History message around the globe. Through this year and the next, we in the House must, like my constituent, continue our commitment for as long as it takes to make poverty history.

4.1 pm

Chris McCafferty (Calder Valley) (Lab): I begin by acknowledging the immense progress made on debt relief and poverty eradication through the leadership shown by the Secretary of State for International Development and the Chancellor of the Exchequer in developing pro-poor polices, which can only benefit all developing countries, and particularly the poorest countries in Africa.

I am sure that hon. Members on both sides of the House would agree that among the major causes of poverty in Africa are poor maternal and child heath, the status of women and HIV/AIDS. I believe that major and sustained interventions in sexual and reproductive health are vital for the future of Africa and are the key to sustainable development there.

Sub-Saharan Africa is the world's poorest place, with 70 per cent. of its people living on less than $2 a day. Fertility is highest in the poorest countries as well as among the poorest people in those societies. It should be no surprise that those same places have the highest levels of unmet need for family planning and reproductive health services. According to the environmental sustainability taskforce, that need, together with health, education and gender equality issues, must be addressed with policies and programmes that will slow population growth and realise synergistic improvements. At a national level, fertility reduction may enable accelerated social and economic development. Conversely, the absence of sexual and reproductive health and rights undermines development.

It is widely recognised that reproductive illness and unintended pregnancies detract from economic development, whether by weakening or killing adults, disrupting and cutting short the lives of their children or placing heavy financial burdens on their families. Sexual and reproductive health and rights also deals with poverty and development in the wider context. The ability to exercise rights and freedoms of choice brings self-determination, which, in turn, has a direct impact on individuals' ability to emerge from poverty.

Sub-Saharan Africa is confronted by continuing high population growth, youthful populations, low contraceptive prevalence, the highest rates of HIV/AIDs and high unmet need for family planning. Poor reproductive health accounts for 40 per cent. of the diseases suffered by women and one in 20 women in Africa die from pregnancy-related causes, in comparison with one in 16 in sub-Saharan Africa. Yet, if all the available condoms in Africa were evenly distributed, each man would receive only three or four per year. There is a huge gap between the demand for condoms and the funding available for them.

Of the world's 875 million illiterate adults, two thirds are women. Gender equality is a catalyst for development because women who can plan the timing of their pregnancies and the number of children that they have have greater opportunities for work and education. Empowering people to exercise their rights over fertility and to choose the number and spacing of their children is a very powerful tool in the fight to reduce poverty.

Gender equality is essential for achieving the millennium development goals. It cannot be achieved without guaranteeing the sexual and reproductive health and rights of women and girls.

Seven priorities for action have been identified by the gender and education taskforce in order to achieve gender equality. One of them is ensuring access to sexual and reproductive health and rights. Specific interventions to address gender inequality should be an intrinsic part of all MDG-based investment packages. There should also be systematic challenges, such as the protection of sexual and reproductive health and rights, including access to information and family planning services.

One African in two are under the age of 20. More than 40 million of Africa's children are not in school, and two thirds of them are girls. Families with fewer children spaced further apart can invest more in each child's

[Chris McCafferty]

education. That, of course, is of particular benefit to girls, as a girl's education may have a significantly lower priority than the education of a boy child in the family.

Children in large families are likely to have reduced health care, and unwanted children are much more likely to die than wanted ones. Our mission in relation to child mortality is clear. Where mothers live, their children are much more likely to live. Where mothers are healthy, their children have a much better chance of being, and staying, healthy.

There are 529,000 maternal deaths each year, and half of them are in Africa. Every day, 1,400 women die from preventable pregnancy-related causes. The child health and maternal health taskforce recommends that an additional target be included for monitoring the fifth of the millennium development goals, which is to achieve universal access to reproductive health service by 2015, through the primary health care system, and to ensure the same rate of progress, or faster, among the poor and other marginalised groups.

More than 17 million Africans have died from AIDS, and another 25 million are infected with the HIV virus. Approximately 1.9 million of those are children. UNAIDS estimates that, this year alone, another 3 million people in sub-Saharan Africa will be infected with HIV.

Our approach to HIV/AIDS should be based on an integrated model of sexual and reproductive health care. The Millennium Project's HIV taskforce stated:

"The fight against HIV/AIDS and the broader struggle for reproductive health should be mutually reinforcing."

National Governments should incorporate universal access to reproductive health and sexual health services and information as an integral part of their AIDS responses.

I am sure hon. Members of all parties would agree that the empowerment of women is a development end in itself. Removing the obstacles to women's exercise of economic and, indeed, political power is also one of the most important ways to end poverty. Reproductive health is a part of an essential package of health care and education. It is a means to the goal of women's empowerment, but it is also a human right. It includes the right to choose the size and spacing of the family. It is by far the easiest and most cost-effective way to help people of all nations out of poverty, and it is essential to ensuring that the millennium development goals are achieved.

It has been said twice already in the debate that we have a once-in-a-lifetime opportunity at the G8 and the summit on the millennium development goals. I know that the Government believe that better reproductive health is crucial to reducing poverty in Africa and I hope that my hon. Friend the Minister will be able to tell the House in his response to the debate that the Government will push reproductive health and rights in discussions at the G8 and push for their inclusion at the millennium development goals summit in September.

4.10 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I am grateful for the opportunity to participate in this debate. It is also a privilege to follow the hon. Member for Calder Valley (Chris McCafferty) and I congratulate her on selecting an issue on which she has obviously made herself an expert. She focused on that issue and contributed thoughtfully to the debate. I hope that she will excuse me if I do not follow her on that issue.

I am not a rock star, so I do not bring the particular expertise that membership of that profession brings to the economic problems of Africa, but I am one of few MPs—if not the only one—to have devoted the best part of a decade before becoming an MP to working on aid and development projects, mostly in Africa. I hope that I can draw on that experience to contribute to this debate. I worked in countries as diverse as Ethiopia, Zaire, the Republic of the Congo—the former French Congo—Kenya, Tanzania, Uganda and Cameroon at a time when they were full of hope and enthusiasm and it seemed that the possibility of progress from poverty to prosperity was real. Subsequently, I saw the heartbreaking decline and reversal in many of those countries into deeper poverty, greater disease, conflict and distress. No one is more passionately committed than I am to seeing poverty made history and to seeing the goals of that campaign achieved. I recognise the good faith of those who support that campaign— and especially the Secretary of State in the contribution he made today. I also recognise the genuine support that has welled up in the country as a whole.

However, I hope that I have earned from my past work the right to puncture some of the complacent endorsement that has perhaps been a characteristic of this debate—certainly of the debate outside—of everything that has been done in the name of making poverty history. I am concerned that as well as supporting many genuine and desirable objectives, the campaign could become a vehicle for anti-free trade, anti-free market and anti-globalisation attitudes and policies that, if pursued, would be damaging to Africa, and all too often embody a patronising attitude towards Africans that in some cases borders on racism.

Those anti-free market and often patronising attitudes were prevalent within the aid agencies when I worked for them in Africa many years ago. However, all my experience of working with Africans, who became friends and valued colleagues, convinced me that those attitudes are wrong. Africans have the same number of grey cells as any other race. They have the same desire to better themselves, their families and their communities. They have the same capacity for hard work, ingenuity and enterprise as any other country. It is sad that, for example, the advertisement that appears today in many newspapers has a headline that implies that eight white men in a room in one day can solve the problems of Africa, with the implication that 680 million Africans are effectively relegated to the status of recipients of the largesse, wisdom and power of those eight gentlemen. In my view, that is nonsense and, in my experience, it is incorrect.

I did many studies for the UN Economic Commission for Africa and the UN Industrial Development Organisation, in which I identified a viable project located in a country where its inhabitants were free to invest. In many instances, that project was duly implemented by local entrepreneurs, often before the aid agencies had finished processing the report or the local government had got round to seeing whether it wanted the project to happen or not. Where African

people have the freedom in their own countries and the access to foreign markets to prosper, they will take those opportunities, and they will prosper. So our first demand should be to open up access to our markets to African people who want to trade with us and export to us.

I do not know how many people have read the manifesto of Make Poverty History, but I was astonished to find that it contains no call to open up access to the markets of the EU or other developed countries. It rightly calls for an end to export subsidies, which can be damaging in African markets, but rather than attacking the protectionism of western markets, it calls for the right of African countries to protect their own agriculture and farmers.

Obviously, those countries are free to take their own decisions, but I believe that there is hardly anything less designed to be helpful to the elimination of poverty in developing countries than raising the price of food for poor people. If those countries must indulge in protection, let it be on cosmetics and Cadillacs, rather than on anything that makes their food more expensive; but, anyway, our aim should be to open up our markets to Africa's goods.

Making Poverty History's second aim, with which I entirely concur, is to drop the debt. I am proud to have belonged to a Government who wrote off all aid debt to African countries—although we did not make a song and dance about it at the time—thus leaving only Government guaranteed trade and multilateral debt to be dealt with.

Some free-marketeers, who would agree with me in other ways, are suspicious of debt relief. They are mistaken. It is what happens in free markets. If we lend to someone for a project that fails to make a profit and a return, the debt has to be written off. If we lend to someone who, through unwisdom or otherwise, is unable to pay back the loan, we have to write it off. The only reason why there is a problem about debt relief for Africa is that the debts are not free-market debts made freely between someone investing in those countries or lending to those people, but debts that have been guaranteed by Governments or Government agencies.

Some people say that writing off debts will reward corrupt dictators and plutocrats, but let us remember that it is not the corrupt dictators and plutocrats who will pay back those debts, if we insist on their repayment, but the poor peasants and the impoverished people who live in the townships of Africa. Whoever's fault it was that those bad loans were made, it was not the fault of poor people in Africa, and they should not be required to repay their loans. So I entirely endorse the objective of writing off debts that cannot be repaid, but we should not start again down the path of Government-guaranteed debts and Government-channelled lending to those countries. We should encourage private investment and lending wherever possible because that results not only in the better targeting of investment, but in better managed investment and better monitored investment. That brings me to aid.

Where famine, destitution, draught or disaster exists, we have a straightforward humanitarian, Christian obligation to aid those people. There is a good case, too, for giving aid to finance hospitals, schools and the training of teachers, nurses and doctors—rather than the reverse: their training our teachers, nurses and doctors—especially if that aid is delivered directly to the project and audited transparently. But in all my experience, aid that was designed to finance projects of an industrial nature to contribute to development was unnecessary. There was no project that I ever saw that would not have occurred in the absence of subsidies.

In the UK, we have abandoned our belief that we can make ourselves richer by Government subsidising business, picking winners and selecting industries, so why are we so patronising towards Africa as to think that Africans need those outdated methods of industrial development to prosper? They do not. Our role should be to remove the obstacles to their trading in our markets, to lift the burden of debt that hampers them and to help with their humanitarian needs. If we do that, I have faith and confidence that, given good governance, the people of Africa will move from poverty to prosperity; but it will be they who lift the burden of poverty, not eight men in Gleneagles.

4.20 pm

Hugh Bayley (City of York) (Lab): I congratulate the right hon. Member for Hitchin and Harpenden (Mr. Lilley) on a thoughtful and in some ways provocative speech, but I agree with the provocation; it needs to be said that the private sector has a vital role in the development of Africa. If we protect African countries from private investment or the private sector, we will impoverish them.

I congratulate the Government on making Africa a priority for the G8 and EU presidencies; on giving Africans a voice in developing the agenda that they take to the G8 since more than half the members of the Commission for Africa Africans; and on setting their sights high in the goals that they seek. In the Chamber, we inevitably talk about theoretical constructs, such as aid, trade and debt, but they are means to an end: empowering human beings to live decent lives.

From what has already happened in the preparations for the G8, we know what the summit will deliver. Although it will not achieve the millennium development goals in Africa, it will lift hundreds of thousands of people out of poverty. It will get many, many more children into school, and provide clean water supplies in many villages and towns that would not have obtained them otherwise. The Gleneagles summit will agree the debt write-off that has been mapped out by the G7 Finance Ministers. It will endorse the EU agreement on a timetable for reaching 0.7 per cent. of gross national income for development assistance.

Those decisions would not have been made had it not been for the leadership that our Government have given internationally to prioritise Africa. We shall see real progress on debt and aid at Gleneagles. More will be needed, and I shall be speaking at one of the rallies in Edinburgh demanding more, as will many other people. But there will be insufficient progress at the G8 on trade, so we must see Gleneagles not as a high watermark but as a staging post. We must use the time between now and the World Trade Organisation ministerial meeting in December to create a political basis internationally for agreement at the WTO.

[Hugh Bayley]

The main stumbling blocks to a trade agreement are the agricultural subsidies in developed countries, so we in the Chamber should turn our attention from the G8 to the UK presidency of the EU, which starts tomorrow, and talk about what our priorities for our six-month presidency will be. We take over the presidency at a difficult time. The EU is suffering growth pains from enlargement. The European constitution has been rejected by France and the Netherlands in referendums. There is deadlock on the EU budget and the UK rebate. There is high unemployment in many EU member states and a need for economic reform to meet the challenges from emerging economies, but no consensus in the EU on how to deal with those problems.

The problems of the budget, the UK rebate and CAP reform will not go away. The CAP is a barrier to progress at the WTO, and many Members on both sides of the House have said during the debate that trade reform can deliver more towards lifting people out of poverty than more help through aid or debt write-offs.

The UK rebate was negotiated by Margaret Thatcher because it was recognised that the CAP imposes an unjustifiably large burden on the UK. I hope that we can build a cross-party consensus in the UK that if we can get CAP reform, the UK's net contribution to the EU will come down as the cost of the CAP comes down, so the rebate can come down, too. If we can get consensus in the UK on opening up debate about the rebate and the way in which we could allow ourselves to reduce it, we should be able to make progress on CAP reform.

I would like to suggest six planks for the reform of the CAP that our Government could take forward during their presidency. First, we should of course avoid undermining the current reforms such as the decoupling process and the proposals on ending EU export subsidies. The progress that has been made in those fields must be consolidated.

Secondly, the Government should consider relaunching a proposal that the Germans made several years ago to devolve rural policy and spending decisions to member states—I think that the EU jargon is "nationalisation". In other words, the subsidy rules would be agreed at EU level, but the subsidies themselves would be paid from the national budgets in all the 15 original EU member states. I have often wondered why France needs to pay its farmers twice as much in aid as it gives in aid to people in developing countries. If we adopted the nationalisation approach on agricultural subsidies, we would create an incentive for all the EU 15 to reduce subsidies overall.

Thirdly, we need to propose a new EU development mechanism to replace the CAP and structural funds, which would permit budget transfers to be made from richer to poorer states without tying those transfers only to agriculture. We have heard many times that the CAP absorbs 40 per cent. of the EU budget, yet agriculture represents a tiny percentage—less than 5 per cent.—of the EU economy. Such a mechanism would give receiving states greater freedom to set their own development priorities and decide how money should be spent.

Fourthly, we need to set out a realistic timetable for reform. We could introduce the new regime—the end of CAP and the structural funds, and the introduction of the EU development mechanism—in 2010. We could offer to introduce it on the basis of the existing share of contributions as long as we also had an agreement on a transitional period in which we would move from the current mix of contributions to a rational method of burden sharing based on the gross national income per capita of each member state.

Fifthly, as the EU cuts agricultural subsidies, we should refocus those resources on external aid. We could support accession states such as Romania, Bulgaria and Turkey so that they can make the reforms necessary to allow them to join the EU at a future date. The resources could be used to stabilise the "near abroad"—to use the European jargon—of the middle east and north Africa. They could also be used to address the problems of global poverty, especially in Africa.

Sixthly—I stress this point—we need to retain EU control of the subsidy rules at Commission and Parliament level because that would be the only way in which we could reassure the WTO that a downward path of agricultural subsidies would be achieved.

I welcome the strong cross-party agreement that we have seen during the debate. However, if we are really serious about making a difference for the poorest of the poor in Africa, we must reach cross-party consensus on reform of the CAP and on the UK rebate from the EU. We will not get CAP reform unless we move on the rebate.

We need to recognise that negotiating change in the EU budget will require give and take. At the end of the process, the UK will remain a net contributor because we are one of the richest countries, not least because of the economic success of the Labour Government. The contribution that we and other rich member states, such as Germany, France and Italy, make should be structured on a rational basis, relating to gross national income per capita in each country, and not on the anarchic basis of the CAP.

4.30 pm

Mr. Laurence Robertson (Tewkesbury) (Con): I pay tribute to the hon. Member for Foyle (Mark Durkan), who made an outstanding speech. It is a privilege to work with him in my day job, as it were, as a shadow Minister for Northern Ireland. I look forward to working with him in the House for many years.

I welcome the debate and the high profile that international development has these days. I am happy to pay tribute to the Secretary of State, the Prime Minister and the Chancellor of the Exchequer for working hard towards the goals that we all share, not least on the Conservative Front Bench. I join those who paid tribute to my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), who made an outstanding speech.

I want to touch on three issues. There is a campaign with the slogan "trade not aid", but we need both trade and aid. We need to improve the trade prospects of third world countries. Having visited a number of them—twice to Ethiopia, once to Rwanda and once to Kenya—I have seen the depths of poverty there. To suggest—although no hon. Member has—that those countries can leap forward

as quickly as they need to do simply because we remove tariff barriers or subsidies is fantasy. When one walks through streets and sees people huddled together, banging pieces of tin with bricks to make something to sell, one realises that they have a long way to go before they can compete in the markets that should rightly be open to them. I am not saying that we should not remove trade barriers or subsidies, because we certainly should, but we also need to do much more to help those countries progress.

On a recent visit to Ethiopia, I visited a hospital where the surgeon was an 80-year-old lady who was doing a fantastic job, but in the countryside I saw the true meaning of a hospital queue, with people physically sitting outside the hospital. We saw that people live in a space no bigger than the Table in the Chamber, and it has to accommodate 10 or 12 people or families and their animals. We also saw girls who spend their entire lives walking to collect water. That made us realise how much we need to do to enable those countries to compete. We must remember that we have to provide development aid in particular to them, as well as humanitarian aid, which is provided in response to disasters. As well as removing trade barriers, we need to do our utmost to persuade the supermarkets, which have enormous power, to buy more goods from the third world and to have them correctly labelled so that consumers can choose to contribute to the development of third world countries in that way.

Although it is important to give money to good Governments, we have to remember that people who live in countries that are corrupt or at war are probably in greater need than those who live in countries without those problems. It is more difficult to deliver aid in those circumstances, but it is even more important to do so and to find a way to do so. That is best done through non-governmental organisations. I pay tribute to the aid workers on the ground. I have seen the jobs that they do. They risk their lives, are away from their families and live in appalling conditions to save the lives of the people in those countries. I want to place on the record my appreciation for their work. It is important to recognise the value of their enthusiasm.

The hon. Member for Glasgow, North (Ann McKechin) spoke earlier about our visit to Rwanda, where we walked through the bones and skulls of people who had been massacred in the genocide. Strangely enough, what made me feel worse was our visit to the trials, where we saw quite ordinary-looking people who had hacked others to death. We wondered whether the situation could ever be sorted out, or whether we were just wasting our time. Gradually, however, we realised that the fact that those ordinary-looking people had done that kind of thing was a reason to help. That is also what motivates the people who work on the ground in those countries.

I think that I shall be the lone voice speaking in support of Ethiopia today. We have heard a number of criticisms of the Ethiopian Government, and I share the concerns about the situation that led to 20 people being killed there, and about the people who are being held without charge for demonstrating. I shall certainly do my little bit to persuade the Government there to bring about a speedy conclusion to that situation. I must point out, however, that only about 14 years ago, Ethiopia was in the grip of a Marxist Government. Recent elections there were observed by 300 international observers, there has been an economic growth rate of about 5 per cent., and more and more children go to school these days. The Ethiopian Government have also initiated a resettlement programme. Although quite crude, it is trying to bring people from the non-fertile areas, which are desperately poor, into areas in which they might be able to grow and have access to food.

The Ethiopian Government are doing everything that they can. I understand the Secretary of State's decision to suspend the increase in aid to Ethiopia—I have discussed the matter with him—but I would ask him to keep in close touch with the Ethiopian Prime Minister. I know from our discussions that he will. As I said earlier, the poorer a country is, the more help it needs. We have to accept that this is Africa, for goodness' sake, and we cannot judge Africa by our own standards. We have our own problems with electoral systems in this country, and if we are going to say that anyone who does not have a perfect Government and a perfect country cannot have aid, I suggest that we are missing the point.

I know that the Secretary of State will keep a close watch on what is happening in Ethiopia, with a view to continuing to increase the aid. I commend the Government for having done so in the past, and I hope that we shall be able to resume providing Ethiopia with the help that it needs. It is a desperately poor country, and it really needs our help. The blind children and the crippled children on the streets are the ones who need help, not the Ethiopian Government. I urge the House to have some tolerance for what is going on in Ethiopia and to recognise the real progress that it has made.

4.38 pm

John Robertson (Glasgow, North-West) (Lab): May I start by congratulating the hon. Member for Foyle (Mark Durkan) on one of the best maiden speeches that I have heard? I look forward to hearing more from him in the future. I also want to congratulate my right hon. Friend the Secretary of State on one of the best Front-Bench speeches that I have heard in the nearly five years that I have been here.

Much attention has understandably focused on the steps that the leaders of the G8 can take when they meet at Gleneagles this weekend. Today, however, I want briefly to mention an issue that will be largely unaffected by the decisions taken at the summit, but which I hope will not be forgotten. Poverty is not a problem that we associate with one of Africa's richest countries, and certainly not with one of its oil-rich regions. Up to 2 million barrels of oil a day are pumped from the Niger delta's swamps. They provide Nigeria with 80 per cent. of its revenues and 98 per cent. of its exports. However, most ordinary Nigerians do not see the benefit of this wealth. Seven out of 10 Nigerians live on less than $1 a day. The disparity is particularly pronounced in the Niger delta, where much of the wealth comes from, and I shall explain why that is the case and what can be done.

Oil is a mixed blessing. It provides great wealth, but it has troubling consequences. In the Gulf states, for example, it provides regimes with so much money that they do not have to levy significant taxes on the population. Great, one might think, but it means that leaders can operate without representative government, so they do not pay any attention to the needs and wishes

[John Robertson]

of their people. In the Niger delta, since the 1970s, revenues amounting to hundreds of billions of dollars have been grabbed by central Government and local politicians, and have been largely wasted. Since President Obasanjo came to power in 1999, the country has experienced greater stability. He took steps to rein in the politicised army, but the situation remains fragile. My right hon. Friend the Secretary of State announced that the Paris club had reached agreement on Nigeria's debt, which is welcome news. Like my hon. Friend the Member for Glasgow, North (Ann McKechin), I would be grateful to know how much debt relief will be provided.

The Nigerian Government need to do much more to provide a stable basis for the delta. They must guarantee that the 2007 elections will be free and fair; otherwise no amount of work by non-governmental organisations or foreign Governments will bring peace and prosperity to the region. There will be primary elections next year, but the country has the capacity to explode into civil war. The 2006 primaries will draw attention to local areas such as the Niger delta, where there is extreme violence. Ethnic and religious strife threatens to overwhelm any future development. Rival militias in the delta have cost hundreds of lives since 2003 and caused tens of thousands of people to flee their homes. What chance is there for people to escape poverty when they do not even have secure shelter? Indeed, the militias are exploiting poverty. One particularly sinister leader, Mujahid Dobuko-Asari, is posing as a champion of the oppressed. He demands a greater part of the oil profits for his Ijaw tribe, but in practice he causes mayhem. According to Human Rights Watch, the police do not have the firepower to take on the militia, so Mr. Asari takes in the jobless youngsters of the delta, obtains weapons which are more sophisticated than those carried by the police, and talks of an "armed struggle".

Militias and their fighters have made attacks on the oil industry, and many have dubious roles as private security contractors. With the state unable to guarantee security, what are the oil companies to do? Should they make unorthodox payments to those so-called contractors, or should they wait for their production to be stopped by violence? The people of the Niger delta need security and a stronger state if development is to progress. As well as working on aid and debt, the British Government and others must work with the Nigerian Government to ensure that the rule of law returns to the Niger delta. If the rule of law is restored, there is a chance that the billions of dollars worth of wealth created in the Niger delta will spread to the rest of Nigeria, so that the 70 per cent. of the population who live on less than $1 a day can perhaps earn more money.

Earlier this year, our former colleague Bill Tynan was instrumental in setting up the all-party parliamentary group on the Niger Delta. Following Bill's retirement, I have taken over the group's chairmanship. I pay tribute to Bill's dedication in setting up the group, and I am grateful for his advice on the subject. In fact, he still advises me and has done so this week, even though he is on holiday in Spain. The Niger delta group is making good progress. On 16 June, we held our annual general meeting, which was attended by representatives from Shell, communities in the delta, and a researcher who has been investigating the region's problems and reported to the group at first hand. In the past few weeks more than 30 MPs have joined the group, and Lord Jenkin, who is a vice-chair, is taking up the baton in the other place.

In a few weeks I shall be leading a delegation to the delta in order to assess the situation on the ground. We will meet representatives of the Government and the oil companies, as well as many ordinary people who live in the area. In advance of the trip we will be in close touch with the Foreign Office. I have already had a short discussion with my right hon. Friend the Secretary of State for International Development, and I know that he is looking forward to me briefing him on my return from the delta. I look forward to doing so.

I know that other Members want to speak and raise a range of important issues relating to poverty throughout Africa, so I shall not detain the House any longer than necessary. A Labour Member does not usually have the opportunity to slow up Opposition Members who want to speak, but in this case I will give up some of my time to allow them to speak on a subject on which there is cross-party agreement.

With Nigeria's great potential, including its wealth and resources, it is a natural candidate to leave the way in the development of Africa. I have outlined a few of the serious challenges that stand in the way. As the Minister for Trade and Investment said, if Nigeria does not meet its millennium development goals, Africa cannot meet them. That is why we must work with the people of Nigeria. I urge my right hon. Friend to do everything he can, and I know he will, to help make the Niger delta prosperous and to expand its wealth to the rest of Nigeria and, hopefully, point the way in democracy for the rest of Africa.

4.46 pm

John Bercow (Buckingham) (Con): It is a privilege to follow the hon. Member for Glasgow, North-West (John Robertson), who as ever spoke with sincerity, experience and knowledge. Moreover, I endorse wholeheartedly the tribute that he and others have paid to the hon. Member for Foyle (Mark Durkan), who delivered a moving and memorable maiden speech of which he should be justly proud.

Let us be clear that aid, trade and debt relief are necessary but not sufficient conditions of African development. The Secretary of State knows the high esteem in which I hold him. It was a privilege to shadow him, and I can tell him that the Bierton combined school, to whose Make Poverty History assembly I had the privilege of speaking on Monday, made it clear that it wanted its support for the agenda to be taken forward at Gleneagles.

There is a fundamental weakness in the trinity of aid, trade and debt relief unless there are additions to it—that is, that that invaluable package does not stop genocide. Genocide is the source of poverty, and stopping genocide requires the establishment or re-establishment of security. In the time available I shall focus my remarks specifically and narrowly on Darfur, western Sudan, which I had the privilege and also the harrowing experience of visiting twice in the past 12 months. In reflecting upon the tragedy and the savagery there, let us remind ourselves of the legal position.

Deprivation of access to food and medicine is a crime against humanity under article 2(b) of the Rome statute of the International Criminal Court. Deliberately inflicting conditions of life calculated to destroy a group in whole or in part is a form of genocide under article 2(c) of the United Nations genocide convention. My contention is that the cocktail of barbarity that has been unleashed and continues to be visited upon the people of Darfur is almost certainly an act of genocide. There has been and continues to be prolonged suffering in the region.

Look at the facts. Consult the World Food Programme. The position is clear. Over 3 million people are dependent on food aid. Already, no fewer than 3,200 villages have been deliberately burned. It is estimated that some 2 million people have been internally displaced, and we should not forget that no fewer than 200,000 people have fled in terror from the Government and from the Arab militias over the border into Chad. That is the continuing reality of the situation in Darfur, although the issue is not nearly as prominent in the news media as it was only a few months ago.

It saddens and horrifies me when I hear it said that there is "a semblance of calm" or "relative normality", or that "the situation has stabilised". I do not doubt the Secretary of State's sincere and determined intention to do what he can to tackle the situation, but there is no real calm at all. Look at what has happened. Much of the bombing has already taken place, and if the Antonovs are raining down bombs rather less frequently than they were, it is because much of the job has been done, so the necessity for continued and remorseless aggression from the air no longer exists. The bulk of the ethnic cleansing has already taken place.

Above all, as we pontificate on the future of Africa, we should listen to the verdict of the UN's under-secretary for humanitarian affairs, Jan Egelund, who is the head honcho in the field. On 21 June, which is only nine days ago, he said:

"we have regressed. More and more women are being attacked, younger and yet younger children are victims of these atrocities . . . It is a vicious racial issue."

Although I applaud the contributions from the Secretary of State and my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), it is necessary to puncture the complacency of the debate to highlight the difference between our aspirations for the future and our conduct of the present.

In truth, the international community is not doing the maximum that could be done. The Secretary of State is responsible for humanitarian assistance, and he is brilliant at it. He is the best Secretary of State for International Development since the right hon. Member for Birmingham, Ladywood (Clare Short), who, in her different way, exemplified the values that must be progressed if we are to secure advances in Africa. The Secretary of State is brilliant at his job, but we need joined-up government here and within the multilateral institutions of the European Union and, in particular, of the UN. The fact is—I know that this is sad and brutal, and it is no doubt undiplomatic to say it—that the international community does not care enough about the continued and deliberate slaughter of tens of thousands of black Africans in Darfur, for if it did, it would not sit on its hands.

So far, we have seen a half-hearted intervention to which there are three significant downsides. First, the straightforward moral reality is that the international community has abdicated and continues to shirk its responsibility to the suffering citizens of Darfur. Secondly, there are the financial implications. Whoever else we seek to deceive, let us not deceive ourselves—the longer we wait and the less we do, the greater the burden and the bigger the cost when the day of reckoning comes. We do not have to consult the crystal ball, because we can look in the book of the historical experience and tragedy of Rwanda, where the eventual cost of reconstruction was $4.5 billion because the international community pitifully and pathetically neglected the situation. I greatly admired the Prime Minister for saying to the 2001 Labour party conference that if ever there were a comparable situation again, Britain and the international community would have a moral duty to act. There is and we have.

Thirdly, many tributes have been paid to the African Union. There are some 3,320 personnel in Darfur, of whom, on the latest reckoning, about 2,055 are troops on the ground. Even if the force increases to 7,700 soldiers, as the Secretary of State has said today and articulated at yesterday's International Development questions, the likelihood is that their remit will simply be to protect people in the camps for internally displaced persons. What that means is that each soldier will be responsible for the protection of no fewer than 305 people.

This is a slow-burn, grisly, despicable and, from the vantage point of the international community, shameful genocide that we are allowing to be perpetrated on our watch. What we need to do instead is to seek ceaselessly until we obtain a chapter VII United Nations peace enforcement mandate. It is no good talking about peacekeeping. There is no peace settlement—there is a temporary and fragile ceasefire honoured more often in the breach than in the observance. We probably need a force of 25,000 people to go to Darfur to protect civilians and to offer a better prospect of peace and security, which is the indispensable precondition of the recovery of the people and the beginning of the fight against poverty in western Sudan.

The people of Darfur have suffered too much for too long with too little done about it. I am ashamed of that, and I hope that other right hon. and hon. Members are ashamed of it. I appeal to the Secretary of State to use his good offices to pressurise the Foreign Office, to work together, and to use the moral force that still exists, admittedly in diminished form, with the Prime Minister, to argue for a robust, concerted and effective approach at multilateral level. That is what is needed; nothing less will do.

4.56 pm

Mr. David Anderson (Blaydon) (Lab): I thank the hon. Member for Buckingham (John Bercow) for giving me such an easy act to follow—I don't think.

This House has a proud history of fighting for social and economic justice, and today we have the chance to write another chapter in that history. We must support the Make Poverty History campaign for trade justice, full debt cancellation and more and better aid. As the hon. Member for Banbury (Tony Baldry) said, if we can

[Mr. David Anderson]

do it on the basis of consensus, then so much the better. It is a disgrace that in 2005 the world's poorest countries are still forced to pay millions of pounds a year to the rich world in debt repayments. It is a further disgrace that rich countries agreed to give 0.7 per cent. of gross domestic product as long ago as 1970, yet so far only five countries have managed to reach that target. It is a disgrace that sadly our Government and our country are yet not one of them. It is an injustice that the poorest 49 countries on this planet make up 10 per cent. of the world's population but their share of international trade is under 0.5 per cent.

Nearly 500 trade unions, campaign organisations, development agencies and faith groups in the United Kingdom have come together in an unprecedented coalition to say to us and to our Government that it is time to bring about progress on trade, aid and debt. The people are not just with us on this—they are ahead of us.

This year is a unique opportunity. Our Government have the presidency of the G8 and the EU. It is only 10 years until the world is meant to meet the millennium development goals. Poverty is supposed to be halved by 2015, yet it is 20 long years since the world called for change at Live Aid. Today, we must persuade the world to choose the right policies on trade, aid and debt. We really do have a chance, if we choose, to make poverty history.

Late last year, I had the privilege of leading a delegation of public service workers to a conference in Johannesburg organised by my trade union, Unison, where 70 delegates from 10 southern African countries met to plan their response to the HIV/AIDS pandemic that is sweeping sub-Saharan Africa. The whole conference was paid for by Unison. It was money well spent on behalf of ordinary men and women—people who, as the hon. Member for Foyle (Mark Durkan) said, had quite likely been killing each other previously, but had decided, in southern Africa as in Northern Ireland, that the only way to achieve genuine reconciliation is to work together.

Workers came from Angola, Zimbabwe, Malawi, Mauritius, Botswana, Namibia, Zambia, and South Africa. They worked in different public services, under different political regimes, and faced different cultural systems. Three things united them, however. They all wanted to deliver world-class public services for their people. They all wanted to develop a role for working people and their organisations to beat the pandemic of HIV/AIDS. Most crucially, they realised that the key driver of the pandemic is poverty. It is a poverty that does not cause AIDS but helps to spread it. It is a poverty that makes people live in houses unfit for animals. It denies human beings the right to good, clean water. It prevents men, women and children from being properly educated. It breeds on ignorance and allows cultural exploitation, especially of women and young girls. Above all, it is a poverty that does not have to exist, which is what we should be arguing.

We live in a world that spends more on obesity, erectile dysfunction and pet medicines than on the so-called neglected diseases of Africa. We live in a world in which the most powerful nation tells the weakest ones that the real cure for AIDS is abstention. What an attitude—when all else has fallen around one, even the comfort of the person one loves would be denied by those of us in the west who know better. We also live in a world in which more money is spent on protecting the monopoly of drug corporations than on alleviating the needs of sick and dying children. That must be wrong.

There is a shift in attitude and in world opinion. Employers in southern Africa have realised that HIV/AIDS is their business as well as the workers' business. If workers are sick, dying or off work because they are burying their relatives, they are not producing the goods for their employers. That might be sustained for a while, but not when millions are sick and dying, and definitely not when, as in the case of Africa, more than 70 per cent. of those with HIV/AIDS are in the work force.

For example, mining companies have come to realise that it is ridiculous to retrain, employ and recruit people and then see them fall away from the work force. They are therefore implementing programmes that help people to take time away from work. They are introducing sex education lessons. It is sad that in much of southern Africa, public services are not reflecting the work that private companies are doing—that comes from someone who does not often sing the praises of private services over public ones.

The resolution of the situation is a win-win for all of us. It is not just a way for us to be do-gooders and spread largesse. If we do not attack poverty, its causes and its symptoms, we all become weaker in every way. That is why the events of this coming period are so important.

Most of us in the Chamber probably came into politics to change the world. Before too long, we realised that we had problems changing our socks. Now is our chance—our generation's chance. Many of us are diametrically opposed to other parties in this place, and sometimes even to our own. Many of us have concerns about our relationships with various nations on this issue. My advice is simple. For this period, let us put aside our differences and unite with each other. Let us follow the lead that the people of our country and the world are giving us. Let us say enough is enough. Let us accept our responsibility. Let us acknowledge that poverty is not inevitable. Let us believe that poverty is a human creation that humans can change. Let us put our money where the starving mouths of the world are. Let us make a difference. For once, let us make our kids proud of us. Let us make poverty history, and let us do it now.

5.3 pm

James Duddridge (Rochford and Southend, East) (Con): If the good people of Rochford and Southend, East had not elected me to this place, I would be returning to Africa. I want to talk a little about my experiences of business in Africa, because I believe that business and free trade are more likely to alleviate poverty than any other activity.

In the early 1990s, I was working in the City of London, and I told my employers at my annual appraisal that I was bored. They said, "Well, why don't you take this job in Swaziland?" I did not really know the continent, and certainly did not know where Swaziland was, but I took up that opportunity. Initially, I felt guilty sat behind a desk, because in my mind, at that time, compassionate people in Africa were aid workers, who dug ditches and, in many ways, lived in

poverty themselves. Now, however, I know that Africa needs business men and bankers, specialists, financial markets and advisers. A colleague of mine who went out to Africa a few years before me set up a local stock exchange in Botswana, and went on to generate an awful lot of wealth for that country.

As a banker I was called many things, and I am sure that I shall be called worse things as a politician—but at the bank I saw that although many people look on bankers in a negative way, we lubricated the economy, allowing speedier development and, ultimately, less poverty. I went on to work in the Ivory Coast for a Belgian bank, and in Botswana for a British bank. Indeed, I met my wife in Swaziland.

In my experience, we need free trade and free elections—in that order. However, the term "fair trade" concerns me. It highlights inequalities in trade, and it is right to do so, but Governments should not decide what is fair, markets should—and the African marketplace is no different from any other.

I have a number of clients involved with the sugar industry, and I have visited sugar factories in communities across Swaziland and Uganda. The factories tend to be in remote locations; the lucky ones get jobs there, but there is certainly a lot of poverty, particularly with seasonal workers. It makes me feel sick to think of the subsidies that the first world gives out within the sugar industry. It is duplicitous to take with one hand and give with the other, and then ask for praise for doing that. The sooner we abandon the common agricultural policy and have genuinely free trade among nation states, the better.

I also want to mention some concerns about some of the charitable works carried out for Africa's benefit in the United Kingdom. All too often we paint Africa in the worst possible light, to solicit donations and activity. I am concerned that events such as Live 8 and the events that preceded it pigeonhole Africa and Africans. The countries in which I have lived and worked have been poor, but there has been enormous spirit there—in many ways a greater spirit than we sometimes see in the United Kingdom. There is also more entrepreneurship, with people selling produce and so on, and a positive spirit. We need to reflect that positive view of Africa, too.

Africa is also rich in resources, such as oil, diamonds and fertile land in places such as Zimbabwe. It used to be said that Zimbabwe could feed the African nation, yet look where we are now.

I also want to comment on the HIV/AIDS pandemic—not on the social side of the problem but on the economic development element. In Botswana I managed 750 staff, one third of whom either had full-blown AIDS or were HIV positive. As well as creating a medical problem and a social problem for the families, that has an enormous impact on business in the country, with massive numbers of people being employed to cover for those who are too sick, when the drugs are not working. That in turn has a knock-on effect on poverty within a country.

The intellectual capital of the nation is dying prematurely. One third of the staff who worked for me were affected, but among the graduates coming out of the university the proportion was much higher—so literally, the future of the nation was dying.

We would all have a problem imagining what would happen if we were diagnosed with a life-threatening disease, but imagine one third of all people in this country being diagnosed with a life-threatening disease. Imagine the impact that that has on the psychology of the whole nation.

I want to be brief, so I shall draw my comments to a close, and I want to end on a positive note. I believe that Africa does not have to deteriorate. The continent is not doomed to failure. Friends and colleagues with whom I have worked across Africa are strong and resourceful people, in what can often be a land of plenty. I believe that as politicians, we need to help them establish free trade and free elections—and the rest will follow.

5.9 pm

Ms Celia Barlow (Hove) (Lab): We have come a long way since the days when our nation's aid policy was little more than a tool for big business assisting market penetration and furthering the reaches of our commerce, but hastening the decline of African nations into further poverty and helplessness. Such short-termism led the 1980s to be called the lost decade by those working for Africa's development. I am glad that this Government have given much time to correcting such injustices since coming to power in 1997.

Thanks to our first years in power, policies that led to events such as the Pergau dam affair have been legislated against. That has increased the effectiveness and benefits of our assistance to poor countries. Today we stand at the cusp of another landmark in our effort to support the people of Africa. The radical proposals to offer debt relief, increased spending on aid and enhanced access to the world's trading systems for poor countries, as outlined to the House in recent days by the Chancellor and the Secretary of State for International Development, have my wholehearted support.

Before I describe my concerns and ambitions with regard to Africa policy, I want to emphasise just how significant this country's contribution to international development has been in recent years. As my hon. Friend the Member for Foyle (Mark Durkan) said in his eloquent maiden speech, it will be a fine achievement when our spending on aid reaches the UN target figure of 0.7 per cent. of GNP, but we shall then join a select group of only five nations.

Our policy directives that cut conditionality, encourage spending on health and education and eradicate the hypocrisy of tied aid have placed Britain at the forefront of development practice, and should be a source of great pride to the people of our country. However, as the campaign to make poverty history reaches its climax, having successfully mobilised a whole nation, we must stress that what will be achieved at this year's great conferences will be but one milestone on an extremely long road. Significant though it is and painstaking though the work involved has been, we must all prepare ourselves and our constituents for the fact that many more victories will need to be won before the people of Africa unlock the potential of their great continent. History may well recall this year as the turning point in Africa's renaissance, but it is our job, in the here and now, to look forward and see just how our assistance may be put to best use.

First, I want to raise an issue involving the two leading African institutions, the African Union and NEPAD, the New Partnership for Africa's

[Ms Celia Barlow]

Development. The Commission for Africa's report repeatedly stresses the importance of those institutions as arbiters of aid and good governance for the region. I wholeheartedly support that sentiment, but I would like the possibility of strengthening and reforming those institutions to be investigated, so that they could be better equipped for the challenges ahead.

It is with regret that I point out the failure of those institutions to deal adequately with the situations that they faced in Sierra Leone, the Ivory Coast and Sudan. On each occasion, intervention by northern powers was eventually needed, and often occurred regrettably late owing to the failure of the African Union to deal decisively with what was happening. Today we mourn the suffering of ordinary Zimbabwean people at the hands of their country's pernicious dictator, a situation on which the African Union seems unable or unwilling to act. If the African Union is fully to earn the trust of us donors, it must demonstrate time and again to the people whom it serves that it is willing to fight for social justice and good governance.

A lesson that we Europeans have learned recently is that transcontinental union must fully serve the needs of every citizen, not just its political elite, if the trust of citizens is to be bestowed on it. We should not shy from a reform agenda in our Africa policies. That would be perfectly in keeping with the philosophy of a Government who have offered investment in return for reform in many domestic policies since coming to power.

There are many links in the chain leading from Government assistance to application in the field. Often the weakest link is the last, where aid money is actually spent and distributed among the grass roots. There are several reasons for that, one of which is the difficulty in finding lots of field workers with the capacity and skills required to do such a difficult job well. Another is the challenge of working in communities that often lack the infrastructure and representative leadership through which to work. We must therefore focus much of our attention on ensuring that those administering our aid budget in the field are fully trained and supported, and on ensuring that the community structures and representation are in place to make the link between aid worker and community seamless.

The increasing role of non-governmental organisations has changed the nature of aid in recent years. At their best, NGOs can form a bond with local communities that would be impossible for national and multinational donors to achieve, and they can offer an extremely efficient solution to developmental challenges. But we must also accept that poor practice exists, and now that we are increasing funding to Africa so dramatically, public and media scrutiny of NGO activity will surely be heightened.

I want to see an increase in the independent monitoring of all development work, including NGO activity in Africa. The fact remains that many of the communities in which aid work is carried out are poorly educated, poorly connected and poorly represented. They are communities without a voice, and as such they are rarely in a position to speak out when poor practice occurs. Due to the competitive funding process, it is a rarity for organisations to admit failure voluntarily, which is a shame, because the developmental sector would benefit tremendously from greater sharing of information and from the shared learning of experience.

It would be a great sadness if the public were to become disheartened or cynical about assistance to Africa. That is why we need to be honest about the challenges of working there, to be honest about the time that it will take to achieve success, and to do all that we can to promote transparency in the aid process—from top to bottom. For the first time in a generation, there is real cause for optimism among those of us who care about Africa's future and its people, cultures and ecology. If we fail in our endeavours this year, the opportunity could well be lost for yet another generation. We cannot let this happen. It would be unforgivable.

5.17 pm

Mr. Jeremy Hunt (South-West Surrey) (Con): I have listened to this afternoon's debate with great interest. I agree with the hon. Member for Blaydon (Mr. Anderson) that we should not be ashamed if there is consensus on this issue. If we really are going to make poverty history, we need to combine a concern for poverty with an understanding of wealth creation. We need practical compassion and economic realism.

When one first sees poverty in Africa, one changes. I first experienced it just 18 months ago, although I should point out that I have much less knowledge of this issue than does my hon. Friend, the Member for Rochford and Southend, East (James Duddridge). Like many other people, I have been sponsoring an HIV-positive child. I went to visit her—she was then 14 years old—and unfortunately, her situation was not unique: I have since discovered that 700,000 children are born with, or infected with, HIV every year. When she was a baby, her father died from AIDS. When she was five, she saw her mother die; she was not supposed to—she peeked through a crack in a hospital door. After that, she was sent to an orphanage, which in those days was more of a hospice; it had no money for antiretroviral medicines. Shortly after she arrived there, her best friend died. She would have gone the same way, too, but for the modern miracle of antiretroviral medicines.

Taking such medicines enables sufferers to become practically fully healthy again. They can go to school and to church; they can joke and participate in games. When they get older they can marry; they can even have children who are not HIV-positive. Fortunately, all the children in that particular orphanage have the proper medication, but it is much more difficult to address the problem in the slums of Africa. For the programmes to work, we need regular testing. In addition, the people taking the medicines need proper nutrition and they need medication for more regular ailments.

The biggest slum in Africa is Kibera, where a quarter of Nairobi's population live. Anyone going there is immediately struck by garbage piled up everywhere, and there is only one toilet for every 200 people. I saw a hungry child eating charcoal. Sometimes HIV-positive mothers work, literally until they drop dead, because they have no other source of income for their family. They often become prostitutes, thus spreading the disease further.

I wholeheartedly support the aims of the Make Poverty History campaign, but there is a danger, in what is happening in Edinburgh, of over-simplifying the

problem and exaggerating the ease of solving it. Relieving debt, increasing aid and removing trade barriers are part of the solution and represent what we can do, but African Governments must also play their part.

Twenty years ago, the problem of poverty was global; now it is primarily an African problem. We can learn from the countries that have been successful in tackling poverty. Generally, they tackled corruption; they invested in education; most of all, they invested in building up their economic base. Wealth creation is vital for poverty reduction. We should reflect on Japan, which fostered fierce competition between its domestic manufacturers before gradually opening to the world. Hong Kong and China are other examples: they harnessed foreign investment to give them a step up in the expertise needed to run modern businesses and modern economies.

One final ingredient is vital in the fight against poverty. It was identified by Professor David Landes, the Harvard historian, in his book "The Wealth and Poverty of Nations". He tried to examine why some countries were more successful than others in dealing with poverty, but he found that although it was possible to identify factors including climate, religion and culture, none of them were defining characteristics. In the end, he said:

"History tells us that the most successful cures for poverty come from within."

Countries that look for salvation from their own efforts, do not blame others for the problem nor look to others for the solution have generally been the most successful. The disease of helplessness is every bit as damaging as diseases such as AIDS, TB and malaria, because poverty can become a state of mind, not just a state of body.

I conclude by saying that the people will not forgive politicians if the G8 becomes a hollow public relations stunt rather than a real turning-point. Too many countries have eradicated poverty for there to be any excuses from the rich world or the poor. That is why we must match our compassion with clarity, our idealism with realism and our anger with actions.

5.23 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): As chairman and founder of the all-party parliamentary group on microfinance, I should like to make a short contribution on the role of microfinance in helping Africa to fight poverty.

I have been fortunate enough to visit a number of microfinance projects in Ghana. I visited villages in which trust banks of about 20 women were formed. Each woman had her own simple business and working capital was supplied by a group loan. Examples of the businesses included making or mending clothes, making Shea butter or simply buying pots and pans to sell in the local markets. The women supported one another with their enterprises and, amazingly, loan repayments were almost 100 per cent. When I spoke to the women and asked what benefited them most, the first reply was always, "I am able to keep my child at school for longer." Training by local men and women working in the offices of the lending institution also included health education, so there was an add-on of education about HIV/AIDS and an add-on of cleanliness and extra protection.

I also saw individual projects where loans of about £20 to £50 for the first cycle would start a business, and ate in a restaurant where 42 people were employed, although it had started with a tiny loan.

Microfinance institutions develop and go on to be able to accept savings deposits, so that cash can be accumulated for all sorts of future uses or investments. Insurance schemes can be developed, and credit products have been developed for water, sanitation and housing.

As well as NGOs, banks and the private sector play an increasing role in supporting microfinance. It has been clearly demonstrated in many countries that poor people can make use of financial services. A feature of poverty is exclusion from those services, so inclusion is a positive way forward.

Microfinance allows poor people to increase their sources of income. It is an important tool in tackling extreme poverty, but it also helps to support all the other millennium development goals. It is particularly important for the empowerment of women, who gain more assets, acquire choices and become able to make decisions. It offers a sustainable approach to development, helping families to create businesses. Many speakers in the debate have mentioned business and enterprise, and microfinance works by giving people a hand up, rather than a handout.

Current evidence suggests that about 70 million people are being served by microfinance, and it is hoped the goal of 100 million by 2005 will be reached.

The Commission for Africa report recognises the significance of microfinance. It states:

"Small enterprises cannot grow in isolation and need access to a range of financial and non-financial services to take advantage of market opportunities."

Lack of access to credit is recognised as a constraint—the number of people without access to bank accounts can be as high as 90 per cent. in some African countries. The report goes on to welcome the renewed focus on all aspects of finance, and to stress how important it is for the successful development of enterprises in Africa.

The all-party group was very proud to have a sub-group nominated as the UK national committee for the UN year of microcredit. This year, 2005, is the special year for microfinance. The members of the sub-group—it really is a sub-group plus—include people from the corporate and academic sectors, as well as representatives from the media and many NGOs. We are very proud of what we have achieved. We launched the year of microcredit at the London stock exchange with Alice Jere, a microfinance client from Zambia.

A number of speeches were made at that event, and Alice spoke alongside the chairman of the stock exchange and the chief executive of a major company. She said:

"My first loan of £20 took me and my family out of poverty, starting with just 50 chicks. I'm now paying for my children's school fees, and have built up my flock to 500 in just four years. I can't tell you how much this microfinance has changed our lives."

The all-party group's early-day motion has been signed by 56 hon. Members, and I want to draw the attention of the Secretary of State to our most important demand. We want the G8 summit to encourage the World Bank, the IMF and the African Development Bank as well as African central banks and finance

[Annette Brooke]

ministries to give microfinance increased emphasis, given that 2005 is the UN's year of microcredit. Also, the Commission for Africa has called for a focus on providing access to financial services.

Obviously, microfinance is just one tool, but it has a place alongside all the others. I hope that the Prime Minister will raise the importance of microfinance at the G8 summit. I have heard that President Chirac is going to do so: perhaps the two men will be able to reach an accord on this matter.

5.28 pm

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I know parts of Africa very well. I lived in Zambia, and I taught and was married there. I had many African friends, and some friendships were so close that one family named their daughter after my family. Her name was Cleopatra Dorries Chisoko. Her christening was a great family celebration in the traditional African manner, but unfortunately Cleo, her parents and her siblings are all dead now. I want to concentrate my speech on the blight of AIDS in Africa.

I was last in Zambia in 1985, when the country was populated by a healthy community of 6 million people, who were expected to live to about the age of 60. Now, the population is 34 million, with a life expectancy of 34, and the WHO projects that it will be 24 by 2010. Today, George Bush promised a three-pronged attack on Africa's problems, including funding for malaria, schools and empowering African women. But what is the point of education and empowering women if they are expected to live to an average age of 24?

Africa is beautiful, and has the added advantages of immense agricultural potential and vast mineral wealth. It has locusts on one side and drought on the other, but down the middle to the south coast it has a bread basket capable of feeding the whole of the African continent. Africa has failed not because of the African citizen, but because of a failed civil society that has allowed widespread corruption, excessive urbanisation and a near total collapse of any kind of service designed to ameliorate the condition of the common African man. It is a real crime that we have let that happen.

Do African states with populations the size of two or three UK counties really need international scale airports, state of the art radar systems, helicopter gunships, Mercedes and all the trappings of a grand state? I think not, but that is what aid has been spent on.

I congratulate the Prime Minister on his Commission for Africa and the report "Our Common Interest". It is a worthy document and obviously compiled in good faith. However, the important section is 9.3.2, entitled "Aid: the scope of enhanced effectiveness", which recommends:

> "to improve the quality of aid annual discussion should take place between the development ministers of the OECD countries and the African finance ministers along with representatives of civil society and international organisations".

Such future vision is well enough, but does not satisfy the need for immediate action. Do we want thousands of people to die while thousands of others meet to discuss the problem? Minutes of meetings cannot be eaten and they have no effect on viruses.

Without doubt, it is the moral duty of this country to provide all the aid and assistance that we can to Africa. Certain issues can and must be addressed immediately, such as the transmission of the HIV virus from mother to child. Some 2.2 million children are born with HIV and less than 1 per cent. receive treatment. The agony of that fact is that the mother to child transmission can be prevented by the use of antiretroviral drugs during pregnancy. Those drugs should be made available with immediate effect. That is the only way that we can combat AIDS in the future generation. How can a country elevate itself out of poverty when its children are dying? Africa must have the drugs that it needs.

Two medium-sized Indian drug manufacturers recently made an offer to Médecins sans Frontières to provide antiretroviral drugs for Africa at $350 per person a year. In this country, they cost $12,000 to $15,000 a year. On the admission of the Indian drug companies, that would still lead to a healthy profit. Some 28 million people in Africa need drugs, which at that price would cost $9 billion. How much is a life worth?

One of the people who runs those Indian drug companies says:

> "I am not a westerner marketing drugs for western markets. I represent the Third World and its needs and aspirations. I also represent the capabilities of a country with a population of a billion. Please do not link up the problems of the Third World and India with those of the West. We haven't broken any laws . . . the main reason for reasonable drug prices in India is the absence of monopoly because of the Patents Act 1970."

If the Indian continent, which is as poor as Africa, can produce drugs at cost price for its people, why cannot that happen in Africa? Why could not Africa operate outside the drugs patent and produce drugs for its people? The operation could be controlled and administered by NGOs.

I do not have much time left, so I shall cut my remarks short. We have all received the report by the Commission for Africa, which talks of power partnerships, comprehensive strategies and professional leadership incentives. What do the people who wrote that report think those words mean to someone lying in hospital under a blanket? Are those words an epitaph for the Chisoko family? We have all heard the words "Hakuna matata" from the Disney film. Where I lived in Zambia, the phrase was "Aziko ndaba". Those words are a tribute to the African people, who spend their lives saying, "No worries, no problems." Those words have been consigned to a Disney film now, because I doubt that anybody in Africa any longer says "Aziko ndaba".

5.34 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am pleased to have the opportunity to speak in this important debate. Although time is running short, I should like to relate the experiences that I gained when I served in the military forces in a number of war zones to the subjects covered today. Debt write-off, investment and improved trade will certainly help a number of countries, but many of the countries that I visited have been at war for 50 years, and we need to go back to the heart of the problem, which was caused when those countries were created in the first place or, indeed, when Europe entered Africa and decided to carve up the continent.

We forget that between the 12th and the 16th centuries, which are often considered to be Africa's most historic centuries, kingdoms were created and democracies existed, even if in basic form, and there was certainly a hierarchy of power and a basic form of government. I appreciate that we are more familiar with the slave trade and so on, how the economy changed and how African empires were eroded.

My view is that the Berlin conference changed the lines on the map, as European states laid claim to the continent with little regard to historical borders or boundaries or the religious groupings and varying customs and languages that already existed. The world wars blurred those lines as well. In some instances, there is a fundamental case for reviewing the borders so that they better represent the geographical areas that unite separate religions, traditions and manageable democracies. As foreign pressures were lifted in the 1960s, when those countries became independent, all the community and regional identities were allowed to grow once again but they were contained or split by the borders that were left behind by Europe.

If we look at other examples around the world, we see something similar. In Afghanistan—it is difficult to see where this will take us—there are Pashtuns, Tajiks and the Uzbeks, all with different identities but confined by one country, yet there is perhaps reason to give them a certain degree of autonomy. Yugoslavia and Bosnia are other examples—as, indeed, is Iraq, with the Kurds, Sunnis and Shi'ites. Czechoslovakia is perhaps the best example of how a country can divide itself into more manageable democracies.

It is worth considering what is the definition of a country and the fact that the extent to which countries are manageable depends on their size, terrain, religions, ethnic groupings, population and the balance of local, regional and national powers. Africa is no different, and I am concerned about those areas that have been engaged in civil war for 50 years. Ethnic tension and religious conflict has not altered simply because of the confines of the boundaries that have been left behind by European powers. Chad, Congo and Sudan are examples of such countries.

I certainly believe that we need to reconsider the borders in Africa itself. Are they appropriate; or do they need review? I am not saying that any western power should walk in there, but I was very much part of the Dayton peace accord, which gave the countries involved the opportunity to sit down and address their concerns, look at the ethnic groupings and then come up with something that would work for them, and what I am suggesting is that that should be an option in addition to the extra aid that we are proposing and the cut in debts and increased trade that is being offered.

I have heard nothing about that suggestion, and it would be interesting to find out whether the G8 would consider it—after all, it was Europe that went into Africa in the first place and drew the original borders with little regard to what was already there—otherwise I am concerned that we will have a similar debate next time Britain has the presidency of the G8 in five years' time.

5.39 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): My speech will only take a minute. I want to pass on a message from Steven Nyuon, who came to speak at the 60th anniversary service for Christian Aid held in Dumfries.

Some of the people at the service said that it recognised failure, because Christian Aid was set up in 1945 with many of the same goals for making poverty history that 60 years later have still not been achieved, but Steven, a Sudanese gentleman, gave us hope—the sort of hope that we have heard from others today. He did not say, "Give us money," or "Change the world." He said, "Give us the tools to help us set ourselves free." He gave a simple example: the fishing rods and nets that had been used in his part of Sudan to build businesses and feed people.

That short message, which concludes the Back-Bench contributions, is one of the most important things that we can take from our debate. People can set themselves free if we give them the opportunity to do so.

5.40 pm

Mark Simmonds (Boston and Skegness) (Con): The debate is timely and important, primarily but not exclusively because of the G8 meeting next week, and also because of the UK presidency of the European Union, the millennium development summit in September, and the World Trade Organisation meeting in Hong Kong in December. The year 2005 is vital for Africa. The Trade Justice Movement and Make Poverty History are to be congratulated on keeping the issues at the forefront of the political agenda.

Accepted analysis is that the House is at its best when being confrontational, yet despite its consensual nature the debate has been informed, intelligent and constructive. The high quality of the debate was begun by the Secretary of State in his excellent opening remarks and continued in the response from my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), the shadow Secretary of State. Both of them made excellent speeches.

There were other excellent contributions and I shall highlight a few of them. The hon. Member for Foyle (Mark Durkan) made an impressive maiden speech which was informed, fluent and passionate. He entwined African and Northern Ireland issues in a skilful way. The whole House will know that he has made significant contributions to peace and progress in Northern Ireland. His personal courage is recognised in all parts of the House. I look forward to further significant contributions from him.

My right hon. Friend the Member for Bracknell (Mr. Mackay), in a typically polished contribution, highlighted education and health as important building blocks in alleviating poverty. He also focused on the injustices currently being perpetrated in Zimbabwe, and rightly emphasised the failures of the African Union and South Africa to do more to put pressure on Mugabe to end his tyrannical actions, which damage the rest of Africa, too, especially as significant progress is being made elsewhere on the continent.

My hon. Friend the Member for Banbury (Tony Baldry) has tremendous knowledge in this field and admirably chaired the Select Committee on International Development in the last Parliament. He highlighted climate change and conflict, which afflict the poorest communities. The poorest people suffer the most. He rightly highlighted the importance of the interrelationship between those factors.

[Mark Simmonds]

My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) made a lucid speech, drawing on his African experience. He rightly highlighted the damage to the alleviation of poverty in Africa that could be done by the anti-free trade movement and the anti-globalisation movement. He highlighted the necessity for us to open our markets in Europe and articulated the failings of the protectionist vision and the necessity to remove obstacles to wealth creation and the encouragement of private investment.

My hon. Friend the Member for Buckingham (John Bercow) gave a typically articulate and powerful speech, reflecting on the terrible problems that afflict Darfur at present, with passionate and detailed examples. He will be aware that my views on that issue coincide with his. It is a great shame that the international community has not done more; it is attempting to do too little, too late.

It is our long-term objective to ensure that developing African countries graduate from aid dependency to functioning democracies with successful economies. Like the Government, we are committed to working towards the 2013 UN target of spending 0.7 per cent. of national income on aid. It is clear that well-spent aid works, and the best example of that is the eradication of smallpox. British aid, especially, has helped to immunise millions of children against polio.

My hon. Friend the Member for Sutton Coldfield rightly highlighted the fact that the quality of aid is just as important as the quantity, so the Government have an obligation to ensure that UK taxpayers' money is spent effectively and transparently. The European Union is currently widely recognised as one of the least effective aid channels because only 52 per cent. of EU overseas development aid goes to low-income countries. My hon. Friend the Member for Tewkesbury (Mr. Robertson) rightly raised that point in his thoughtful contribution.

Announcements have been made today on progress made with Nigeria's debt relief, and some of the ongoing issues regarding debt relief were highlighted by the hon. Member for Perth and North Perthshire (Pete Wishart). Before the HIPC initiative, heavily-indebted countries were spending more on debt service than health and education combined, as the right hon. Member for Oldham, West and Royton (Mr. Meacher) rightly pointed out, although he is sadly no longer in the Chamber.

Money saved through the cancellation of debt must be used effectively to alleviate poverty. Well-managed debt relief has produced many success stories—Uganda and Mozambique are but two recent examples. We support the HIPC initiative and the principle of 100 per cent. cancellation of debts to multilateral institutions. We welcome the debt reduction packages that have been approved for 27 countries. However, responsible lending and borrowing are vital to ensure that there is a sustainable end to the debt crisis. The international credit standing of recipient countries must not be compromised, and future loans must be monitored so that we do not have a cycle of borrowing and debt cancellation.

My hon. Friend the Member for Rochford and Southend, East (James Duddridge) rightly highlighted the importance of trade. Although aid and debt relief are necessary, economic development and international trade offer the best hope of long-term sustainable solutions to poverty and suffering in Africa. International trade has lifted up to 500 million people out of poverty in China and south-east Asia. Much of that was achieved through an export-orientated approach that exploited foreign investment to boost local capacity and allow the countries to compete internationally. Not only international trade is needed to maximise the benefits that trade can bring to Africa, but trade in African domestic markets and pan-African trade are needed too.

Sadly, the protectionist trade policies exercised by the US and EU, such as tariff escalation, which undermines private sector development and diversification, have come at the expense of developing countries in Africa. That is nothing short of a disgrace. For example, US cotton subsidies mean that African farmers are competing not against US farmers, but against the US Treasury. Developing countries' agricultural sectors are being crippled because the EU dumps heavily subsidised commodities that are sold at well below the cost of production. EU consumers and taxpayers, via the common agricultural policy, are being forced to finance policies that exacerbate and perpetuate poverty. Current trade restrictions are the biggest impediment to economic advancement and poverty reduction in the developing world.

Some significant bodies believe that infant industry protection and bans on imports into developing countries would help to stimulate their economies, but history is littered with protectionist folly. Import substitution policies insulate local manufacturers and producers from competition, so local consumers consequently pay inflated prices for lower-quality goods while the local industry is unable to sell in international markets. We understand that free trade cannot happen immediately, but we are committed to working towards genuine free and fairer trade for developing countries, especially through the transition period.

My hon. Friend the Member for Eddisbury (Mr. O'Brien) made a knowledgeable speech in which he highlighted the fact that tackling preventable diseases such as malaria, tuberculosis and HIV and educating and training Africans in health care are essential if we are to end poverty. Disease hinders economic activity. Both my hon. Friend the Member for South-West Surrey (Mr. Hunt), in a moving and intelligent speech, and my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries), in a powerful contribution that was allied to personal experience, rightly highlighted the necessity to alleviate HIV/AIDS in Africa.

Many hon. Members rightly highlighted the importance of education, as it is the cornerstone for an economically prosperous society. We welcome the progress made so far, in particular the removal of school fees in Kenya, Uganda and Tanzania, but much more remains to be done.

Historically, African Governments have suffered from a lack of accountability and a lack of institutions to facilitate a pluralistic civil society, as well as endemic corruption. That has led to chronic political instability and regressive economic performance, impoverishing many millions of Africans. Corrupt leadership, combined with a history of human rights abuses, inter-ethnic rivalries and, more recently, the HIV pandemic,

have left many parts of Africa lagging behind the rest of the world in creating markets, stable societies, trading and improving the macro and micro-economic well-being of its citizens. The developed world is morally right to, and must, assist, but ultimately the solutions and resolution lie with Africa itself.

5.50 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I join the hon. Member for Boston and Skegness (Mark Simmonds) in paying tribute to all hon. Members who spoke in this excellent debate. In particular, I single out the strong and passionate speech by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). Ministers in the Department for International Development do not have the same opportunities as our colleagues to debate on the Floor of the House new ideas for amendments to UK law. We look forward with relish to 20 January, when he introduces his private Member's Bill, for further discussion of his proposals.

I join hon. Members in paying tribute to the excellent maiden speech of the hon. Member for Foyle (Mark Durkan). We are all aware of his contribution to Northern Irish policies. We look forward to his contributions to domestic politics and, on the basis of his speech, to international debates, too. I also pay tribute to the speech of my hon. Friend the Member for Calder Valley (Chris McCafferty), who rightly reminded us of the need to continue to focus on sexual and reproductive health issues.

There were equally interesting speeches from Opposition Members. I pay tribute not only to the hon. Member for Sutton Coldfield (Mr. Mitchell) for the way in which he opened the debate, but also to the hon. Member for Eddisbury (Mr. O'Brien) for the way in which he chairs the all-party malaria group. I join others, too, in paying tribute to the excellent work done by the hon. Member for Banbury (Tony Baldry) in chairing the Select Committee on International Development, although I confess that I am not sure that I enjoyed appearing before it. I also pay tribute to the continuing eloquence of the hon. Member for Buckingham (John Bercow) in rightly reminding us of the need to continue to focus international attention on what is going on in the Sudan. On the Liberal Benches, I pay tribute to the hon. Member for Mid-Dorset and North Poole (Annette Brooke) for her continued championing of micro-credit issues.

All hon. Members alluded to the fact that Africa is a remarkable continent. It has much to celebrate and is, as my hon. Friend the Member for Glasgow, North (Ann McKechin) said, a continent of breathtaking beauty and stunning scenery. It is home and birthplace to great talent and huge ability, from the excellent Haile Gebrselassie—one of the world's greatest athletes—to arguably the most influential and impressive politician of our time, the incomparable Nelson Mandela. However, as all hon. Members also highlighted, it is a continent that remains scarred by terrible poverty and savaged by the scourge of HIV and AIDS, and its development remains inhibited by the legacy of conflict—in some cases, ongoing conflict—by unfair trading rules, by appalling debt and by weak governance.

What is also clear is that Africa deserves our support. For the peoples of a continent to be so disadvantaged in the 21st century is an outrage. That demands, as the Commission for Africa made clear, a big push for Africa now, with rich countries, such as ours, supporting an African-led agenda. The Commission for Africa also made it clear that its principal demand for African Governments is for them to build clean and accountable Governments—a recommendation that we strongly support—while donors must ensure that aid to Africa is doubled, that expenditure on education, health, AIDS and infrastructure is significantly increased, that there is more radical debt relief and trade reform and, indeed, that the international finance facility is launched.

Our job now, as the Prime Minister made clear as president of the G8 and the European Union, is to maintain the momentum of the commission's report, and to help ensure, through the Gleneagles summit next week, the UN summit in September and the World Trade Organisation ministerial meeting in December, that the international community continues to make an appropriate response. We remain committed to doing our bit.

My right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) highlighted the size of US aid to Africa. He might be interested to know that, almost as he was speaking, President Bush was announcing plans to more than double aid to Africa by 2010, which I am sure that all Members will agree is an important and welcome step that will create real momentum for a successful outcome at Gleneagles. That, combined with commitments from the European Union, Japan and Canada, means that the G8 and EU will more than double aid to Africa by 2010, increasing it by some $25 billion, as called for by the Commission for Africa. That will also put us within reach of our goal of an extra $50 billion a year in total aid for all developing countries.

We shall, of course, continue to work hard right up to the Gleneagles summit for the best possible package for Africa. We are making progress on aid, and on multilateral debt relief. Hon. Members asked me about a particular deal on Nigeria's debt. That deal will see the write-off of approximately $18.6 billion of that country's debt. That again is a significant step in the right direction.

HIV and AIDS are a continuing priority of our presidencies of the G8 and EU. Last year, we set aside some £1.5 billion for HIV and AIDS expenditure—almost a doubling of our commitment. We also announced a doubling of funding to the global fund. We are hosting the global fund replenishment conference in September. In addition to its work on AIDS, the fund is a key vehicle for scaling up our support for tuberculosis and malaria, the other two key poverty diseases facing Africa. I welcome the fact that the number of people in sub-Saharan Africa with access to antiretroviral drugs has trebled in the past 12 months, but, as many hon. Members have said, much more needs to be done to fight the HIV/AIDS pandemic.

We will of course continue to champion improvements in governance by using our aid budget as well as ministerial and diplomatic effort, and by seeking to improve government standards and to consolidate and expand the African peer review mechanism. We want to ensure greater transparency in public revenues,

[Mr. Gareth Thomas]

to empower judiciaries, to create more and better free public media and to support the African Union and other key pan-African institutions.

We shall also seek to ensure an ambitious outcome from the Doha development round. We want to agree on a date for the end to export subsidies. The 2003 CAP reform package was a good initial reform package, but, as many hon. Members have rightly said, we need to go further. We are working for an immediate extension of quota-free and duty-free access to all exports from sub-Saharan Africa. We are also working to ensure that restrictive rules of origin do not prevent countries from taking advantage of preference schemes that exist at the moment.

Much has been made of the apparent consensus on these issues, and I, too, welcome the support from the Conservative Front Bench for the Government's objectives at Gleneagles, in New York and in Hong Kong. However, we still remember their halving of the proportion of national income that was spent on development and assistance during the 18 years that they were last in power. We remember their failure to secure meaningful CAP reform. We also remember how many in their ranks did not seem that interested in good governance when apartheid was in full swing. But to mention those things would be churlish, and I am not that sort of politician.

At Gleneagles next week, we shall have a real opportunity to build on the progress that the G8 has already made in confronting the challenges facing Africa and the developing world. Since Birmingham, back in 1998, we have seen considerable progress on debt relief, the launch of the global fund, the polio eradication initiative, the Africa action plan, and the education for all fast-track initiative. All were made possible though G8 support. Already this year we have seen significant commitments on additional resources for aid and debt relief, far beyond what cynics might have predicted this time last year.

Next week presents a huge opportunity for the leaders of the G8 to give a political boost to make the 2005 agenda a great success and to create that big push for Africa on peace and security, on governance, on investing in the basic services on which people depend, on progress on trade, and, we hope, on further commitments on the resources to finance these undertakings. Not only is it morally right to support Africa; ultimately it is in Britain's self-interest. Our humanity, our internationalism and our belief in social justice demand that we respond to the needs of Africa's people. As the Prime Minister said at the launch of the Commission for Africa—

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

It being Six o'clock, MADAM DEPUTY SPEAKER *proceeded to put forthwith the Questions relating to Estimates which she was directed to put at that hour, pursuant to Standing Order 55 (1) and (4) (Questions on voting of estimates & c.).*

ESTIMATES, 2005–06

Resolved,

That, for the year ending with 31st March 2006—

(1) further resources, not exceeding £277,697,379,000, be authorised for use of defence and civil services as set out in HC 2, HC 3, HC 4 and HC 5,

(2) a further sum, not exceeding £203,017,367,000, be granted to Her Majesty out of the Consolidated Fund to meet the costs of defence and civil services as so set out, and

(3) limits as set out in HC 2, HC 4 and HC 5 be set on appropriations in aid.—*[John Healey.]*

Ordered,

That a Bill be brought in on the foregoing resolutions; And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Des Browne, Dawn Primarolo, Mr. Ivan Lewis and John Healey do prepare and bring it in.

CONSOLIDATED FUND (APPROPRIATION) BILL

John Healey accordingly presented a Bill to authorise the use of resources for the service of the year ending with 31st March 2006 and to apply certain sums out of the Consolidated Fund to the service of the year ending with 31st March 2006; to appropriate the supply authorised in this Session of Parliament for the service of the year ending with 31st March 2006; and to repeal certain Consolidated Fund and Appropriation Acts: And the same was read the first time; and ordered to be read a Second time on Monday 4th July, and to be printed [Bill 36].

BUSINESS OF THE HOUSE

Ordered,

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance Bill may be taken at any sitting of the House.—*[Mr. Roy.]*

Barbara Clark

Motion made, and Question proposed, That this House do now adjourn.— *[Mr. Roy.]*

6.1 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I am privileged and enormously grateful for the chance to hold this short debate. The House has a precious half hour in which to talk about the plight of one of my constituents. That is important, because Parliament represents the highest court in the land, and today Barbara Clark has 30 minutes of our undivided attention. Let us hope that that 30 minutes will be enough, because the crux of this issue is time. Thirty minutes to hon. Members is like a flake of snow, but to Barbara Clark it is a precious bonus, an extension of life itself. She is watching and listening to us at the moment, hoping on our every word. I would do likewise if I were in her shoes, and I suspect that all hon. Members would.

Barbara's case has come to Parliament because her existence is under mortal threat. She will die if we do nothing, because she is sick with a disease that will certainly kill her unless we act decisively and quickly. I have brought her here to urge common sense and joined-up thinking to address a medical case that has huge implications for thousands of people in this country, particularly women. My constituent has breast cancer, but not an easily treatable form of the disease. The variety that she has contracted does not grow slowly. It gallops, taking over cells and multiplying. It is a frightening and violent insurgent that behaves unpredictably and unpleasantly. It attacks the next target—perhaps a lymph node—going on and on until ultimately it kills.

The bald arithmetic is terrifying. Around 40,000 people are diagnosed every year in the United Kingdom with some form of breast cancer. One in five of those cases—8,000 individuals like Barbara—have the aggressive form. It can be slowed down by existing tried and trusted medicine, but it is desperately hard to stop. This particular cancer contributes heavily to the annual death toll. There are 13,000 funerals every year in Britain because of breast cancer; 35 suffering souls succumb every single day.

We have only half an hour, so I will not waste a single second. The cancer in question has a name—HER2. That stands for human epidermal growth factor receptor 2, a protein. If one has the right amount in one's body, no problem. If, however, one produces too much of it, one may be HER2 positive and be more likely to produce and develop an aggressive cancer. Barbara is HER2 positive. She is also one of the most positive women I have ever met in my life. Her courage is outstanding. She has a total determination despite the disease, which, left to its own cruel devices, will inevitably rob her of life itself.

Barbara found a lump in her breast that grew with terrifying speed. Surgery was inevitable, and chemotherapy followed. The signs are that it has now spread to the lymph system. Her regime of treatment is uncomfortable in the extreme. When a human body is slowly drip-fed a cocktail of chemicals designed to wipe out the bad, the good is also likely to be damaged. Hair loss, nausea, memory lapses and lack of energy—chemotherapy is a medicinal sledgehammer. It can work well in lesser cancers, but has a far lower rate of success against Barbara's disease.

There is, however, one drug already on the market and in the national health armoury, which could very probably help Barbara right now. I am always wary of using the term "miracle drug". It is a phrase much over-used by tabloid newspapers to describe the latest developments and advances in the ongoing fight against all disease. Too often it is sloppy shorthand for something potentially good but totally untried and untested. Real miracles are, after all, extremely elusive.

However, Herceptin is different. This drug was deliberately designed to target and block the HER2 protein. It came out of an American laboratory in the late 1990s and has been used extensively ever since. Herceptin is already licensed and approved for prescription in the UK. Let me qualify that statement, if I may. Herceptin is already licensed and approved for some limited use in the UK, but in order to get Herceptin, one needs to be extremely sick.

The official guidelines from the National Institute for Health and Clinical Excellence state that patients must be on level 3-plus of their disease. I am not a doctor, but I am told that the calibration runs from one to 10. At level 10, treatment of any type is a waste of time, but at level 3 the disease will already be on its way. HER2, remember, moves like an express train. The official guidance states that patients must already have undergone two full courses of conventional chemotherapy or be able to show that they are ineligible for one of the main agents contained in conventional chemotherapy.

To cut a detailed story short, Herceptin has only been cleared for use with patients who have little hope of survival. It may sound alarmist to call the drug "a last resort", but that is how the national health service currently describes it. Unfortunately for Barbara, she is not quite level three, but it is only a matter of time—probably a short time. Herceptin could save her life now, but the guidelines seem to prevent doctors from acting.

Barbara Clark is not only brave and intelligent, but, having spent her career in nursing, she is not the sort of woman who will take "no" for an answer. She learned about Herceptin in the press and on the internet. If one types "Herceptin" into any of the main search engines, one encounters hundreds of different, highly favourable, worldwide references. When Barbara asked one of her consultants about Herceptin, however, she was greeted with a blank stare—the man had apparently never heard of it.

That should be an isolated horror story, but if clinicians stick to the letter of the NICE guidelines, there is no reason why they should know anything about the drug. We operate the most vigorous licensing regime in this country, and rightly so. The Medicines and Healthcare products Regulatory Agency is answerable to the Minister's Department, but it does its business through a slow system. There is nothing wrong with that in principle, and we have a valued reputation for the scrupulous examination of any new drug, but this is a matter of life and death.

The people who might benefit from Herceptin are not at all scared by small risks that might be associated with taking it. If I had a fast-moving HER2 cancer—yes; men

[Mr. Ian Liddell-Grainger]

can contract it, too—I would do precisely what Barbara Clark is doing. This is a moral issue, and the moral rights of the individual should not be muddled by rules which were set in good faith three years ago, but which are now woefully out of date. In stark truth, if an individual is doomed to die, the decision about the efficacy of any new treatment should be left to them, not a body of experts, however worthy.

In America, where this drug was first developed, the Food and Drugs Administration licensed Herceptin for advanced cancers when Herceptin first went on sale seven years ago. In America, Herceptin is still officially a drug for advanced cancer, but America, by bypassing its own regulations, has led the way in making it available for wider use, because its worth has been recognised.

Recent extensive American trials have indicated the value of Herceptin in early breast cancer treatment. Any drug that saves lives, inevitably saves money, and perhaps, in the end, the matter comes down to money. Barbara Clark has been told that she could obtain a private medical opinion tomorrow and be prescribed Herceptin at the going rate of £1,500 a dose, and she is now contemplating selling her house in Bridgwater just to buy the drug. That is understandable for Barbara, but completely dotty in terms of running a health service that prides itself on effective cancer care.

I do not denigrate the enormous effort that has been put into cancer care in recent years. There are now centres of excellence in many parts of the UK, and I single out the new Nottingham breast cancer clinic—I am sure that the Minister will do the same—as a shining example of diagnosis and treatment. In spite of many valuable advances, however, there are still pockets of—how can I put it?—"resistance". There are still consultants who have never heard of Herceptin; there are still health authorities and trusts that will not prescribe it, presumably because they think that they cannot afford it; and there are still dangerous gaps in the diagnostic process, too.

Barbara Clark may have been lucky. She was given an HER2 test, and I have been assured that only 28 per cent. of all breast cancer patients are routinely and progressively tested. Tests also have a monetary implication—each has a price tag of £50—but the price of failing to discover the disease surely has a much higher cost in turn to the NHS.

Many UK oncologists say that Herceptin can save lives. I asked for this debate in order to clarify some essential questions on behalf of one of my constituents. I do not wish to interrupt the existing licensing process. Licensing demands strict patient trials and a rigid timetable that may not help Barbara and others like her. Changing the licensing process would require legislation and more precious time, but I must point out the real possibility of finding legitimate ways around the existing licensing process. America's FDA is sometimes seen as even stricter than our own agency, yet Herceptin is now freely available for early breast cancer. Only last week, in Ontario, the Canadians found ways around their rule book. France and Germany have also made the drug available to a wider range of patients.

When I took on Barbara's case, I wrote to Professor Mike Richards, the national cancer director. His reply, just received, seems to offer a glimmer of hope. He wrote this about Barbara:

> "It may be appropriate in exceptional circumstances for particular patients to be prescribed an unlicensed drug and a hospital consultant can arrange for the supply of such drugs provided the Primary Care Trust or the NHS Trust agree to supply it at NHS expense."

I am heartened by those words. I believe that he is trying to find a way to get a good drug into wider use; I hope that I am right. I invite the Minister to confirm that interpretation so that many hundreds of other brave Barbara Clarks can hold out genuine hope that they will soon qualify to get this important treatment.

In government, as in life, money talks. The manufacturer, so I am informed, is keen to talk to the Government about reducing the unit cost if this drug can be given to a wider range of patients. Some of the hospital trusts may need a greater nudge from the centre. Barbara Clark could go to several NHS hospitals in London today, right now, and be prescribed the drug as a matter of routine. Where she lives—Somerset—clinicians are sticking rigidly to the NICE guidelines, which were written in early 2002, and have been overtaken by mounting evidence of the success of the drug worldwide.

Barbara Clark is a lady who is prepared to sell everything to save her life. Because of what she has done, she has helped to highlight a much wider issue. We cannot afford to ignore her tonight. This has been her debate, and she may not have very long to wait for the right answer.

6.17 pm

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): I sincerely congratulate the hon. Member for Bridgwater (Mr. Liddell-Grainger) on giving us the opportunity to debate this important subject.

The cancer drug Herceptin has received a lot of exciting publicity recently, and I am grateful for the opportunity to discuss the issues raised today. Like many families in this country, mine too was once devastated by cancer. I know from bitter personal experience the torture that it brings. It is with that perspective that I respond to the points made by the hon. Gentleman.

At the centre of our debate is a woman, Mrs. Clark, of extraordinary courage, and I join the hon. Gentleman in saluting her. But, as he points out, it takes more than courage to beat cancer. We are therefore extremely fortunate in this country to have the national health service on the side of each and every one of us. The NHS often makes a critical difference for many of the 34,000 women diagnosed with breast cancer in England each year. Today, because of better diagnosis and treatment, 80 per cent. of women are now alive five years after diagnosis, compared with 68 per cent. in the late 1980s.

The fight against cancer is one of the most critical fights that our scientists and health professionals wage every day. I am proud that the NHS spent £103 million on cancer research and development last year—just under a quarter of all NHS research spending. Almost

every week, new advances are reported—new progress and new hope—and one of our best hopes reported in recent months is Herceptin. The drug has been around for about five years and is one of a new class of drugs known as monoclonal antibodies—drugs that target the cancer cells and cause minimum damage to healthy cells, in stark contrast, as the hon. Gentleman pointed out, to conventional chemotherapy. It is licensed for treating especially aggressive, advanced breast cancer, and accredited by NICE. I understand that it can increase life expectancy by around six months. Any family who have experienced cancer know that every day of that six months often feels like one of the most precious gifts on earth.

What that means in practice is that every PCT should be funding Herceptin for any woman with advanced HER2 positive breast cancer that might benefit from it. The hon. Gentleman's community, as he rightly pointed out, is among those in which the benefits of Herceptin are well understood. My officials tell me that in June 2004 the level of Herceptin prescribing for women with advanced breast cancer in Avon, Somerset and Wiltshire cancer network was found to be well above the national average.

The issue that is centre-stage this evening is that early evidence indicates that Herceptin might be of much wider benefit—in fact, of benefit to the more than 23,000 women who are diagnosed with breast cancer at an early stage each year, before it has had the chance to spread. Herceptin might now benefit around one in five of those women who are diagnosed with HER2 positive breast cancer. That evidence was highlighted in May this year, when interim findings from trials were presented at the American Society of Clinical Oncology conference. Those early results, which remain provisional and unvalidated, show great promise. For example, the data showed that Herceptin in combination with another cancer regime resulted in a 52 per cent. reduction in cancer coming back, and a 33 per cent. reduction in the risk of death. The key point, however, is that those results are not yet validated, and the pharmaceutical company is still analysing the trial results.

It might therefore help the House if I say a few words about the licensing process. To obtain a licence, a drug company will make an application to one of two regulatory bodies, the European Agency for the Evaluation of Medicinal Products—EMEA—or our national agency, the Medicines and Healthcare products Regulatory Agency. For Herceptin, the licensing process that will be used will enable automatic European-wide approval. That special licence is secured by applying to the EMEA, in which a committee of experts from all member states including ours will carry out a detailed evaluation of both the application and the supporting research evidence. In general, that licensing process takes around six to nine months from receipt of an application.

As the hon. Gentleman pointed out, however, because of the existing licence, extended licensing of Herceptin is unlikely to take that long—an application to extend the use of a drug that is already licensed, as in the case of Herceptin, is generally quicker, and possibly as quick as two to three months. Once that work is done, and that licence is applied for and approved, and once NICE has appraised and approved it, two things become possible: a doctor can prescribe the drug, and the PCT must meet the full cost.

The hon. Gentleman understandably commented that Herceptin has already been deemed safe by virtue of the fact that it already has a licence, and that we just need to extend its use. I know that he has suggested elsewhere that there should be procedures for overriding the licensing process, and I very much understand his point. There must also be a balancing obligation on us, however, to make sure that drugs are safe for other patients before they are widely promoted throughout the national health service. In the past, unfortunately, we have made some terrible mistakes. Thalidomide was one such failure.

Despite the fact that Herceptin is only licensed for treatment of some HER2 breast cancer patients, as the hon. Gentleman pointed out, it is possible for a doctor to prescribe Herceptin for other patients, subject to two conditions. First, as he pointed out, the PCT or NHS trust must agree to supply it at NHS expense. Secondly, the doctor must retain clinical responsibility for the patient while prescribing the drug in question. Prescribing unlicensed drugs is the exception rather than the rule for the very good reason that the licensing process is designed to ensure that widespread use of a drug for particular conditions does not cause side effects that are so serious that they outweigh the benefits for which the drug was prescribed. Herceptin may—I stress "may"—produce side effects which, for example, damage the heart in some patients. Those side effects therefore need to be taken into account when balancing the advantages and disadvantages of using this drug for treating early breast cancer sufferers who have the prospect of living for many more years.

The hon. Gentleman hinted at concern that, even once licensed, there will be delays in patients accessing Herceptin on the national health service. I know that he has suggested elsewhere that it could be a very long time before it is widely available, because the NHS will not be able to use it until it has been fully appraised by NICE. I must tell the House this evening that that will not be the case.

It has been made clear to primary care trusts in national guidance that they should not refuse to fund a newly licensed drug on the grounds that NICE guidance is not available when the product is launched. In those circumstances they are expected to make their own assessment of available evidence before deciding how to fund the drug locally. The Government are happy to reiterate that message to PCTs, via strategic health authorities, if there are local concerns that that is not happening.

I know that the hon. Gentleman wants NICE to review Herceptin to treat early breast cancer as soon as possible. So do I. That is why I can tell the House this evening that we are considering referring Herceptin to NICE outside the normal referral waves, so that NICE can react as soon as possible after the drug is licensed—assuming, of course, that it receives a licence.

There is a related question of whether NICE should appraise Herceptin in tandem with the licensing process. That would cause two sorts of problem. First, it would not be possible because before a licence is granted, there is simply not the available evidence base on which NICE can produce guidance. In addition, much of the data on

[Mr. Liam Byrne]

the efficacy of a drug before its launch is commercially sensitive, and NICE would therefore not be able to consult openly on guidance using that evidence.

Secondly, it is perhaps inappropriate for NICE to determine the clinical effectiveness and cost-effectiveness of a drug while its safety and efficacy are still under consideration. For example, if a licence is not granted or the licence application withdrawn, which does happen, NICE would have spent considerable time and expense with no discernable output.

Sometimes it is said that NICE takes too long to appraise a drug. I appreciate that there are concerns about how long it takes to produce guidance once an appraisal starts. But I underline the fact that it is crucial for NICE to get the right answer. No one's interests are served if it rushes a decision and, tragically, gets it wrong. That is why NICE considers all available evidence, consults widely and takes comments into account. That takes time, but its processes are one of the reasons for its reputation as an international model for producing technology appraisals.

Over the next ten years we will make extraordinary progress on the war on cancer, and this country is at the forefront of that battle. I do not want Mrs. Clark to have to sell her home to get Herceptin. But equally, we cannot override the drug licensing process so that a drug is licensed before trial data have been properly reviewed and side effects fully understood.

I believe that as new drugs are developed, we will turn again and again to the ethical dilemma at the heart of this debate: how do we balance the possibility of introducing the new benefits that new drugs bring as fast as is humanly possible, with the need to ensure that the new drugs available are safe and without downsides that undermine the very reasons for their prescription.

Because of the importance of this debate, and because I think that the subject will come up again and again in the years to come, I add my personal thanks to the hon. Member for Bridgwater for his valuable contribution. As he rightly said, the national cancer director was recently in touch, and he is at present putting together a group that will consult on how to get the infrastructure in place in the national health service so that when, as we hope, Herceptin is licensed and receives its appraisal from NICE, we can ensure that much more widespread diagnosis services are available for HER2. The procedure is not available throughout the country, and we need to ensure that that preparation has been done, so that if Herceptin lives up to its reputation, it will be made widely available to the right people.

In concluding, I again thank the hon. Member for Bridgwater for his valuable contribution to the debate, and join him in saluting the courage of Mrs. Barbara Clark.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Six o'clock.

Westminster Hall

Tuesday 14 June 2005

[DAVID TAYLOR *in the Chair*]

Water Charges (South-West)

Motion made and Question proposed, That the sitting be now adjourned.—*[Claire Ward.]*

9.30 am

Nick Harvey (North Devon) (LD): I am delighted to have this opportunity to return yet again to the subject of water bills in the south-west, which has been debated many times in this House, most recently by my hon. Friend the Member for Truro and St. Austell (Matthew Taylor), who introduced an Adjournment debate on 1 February. Following on from that debate, there is a meeting tomorrow between Water Voice South West and the Minister responsible for water at which the consumer body will yet again put the case for action to alleviate the high water bills in the south-west.

On a point of record, I feel that I must go over some old ground. In 1989—the time of privatisation of the water companies—there was not a huge disparity between water bills in different regions. The industry average was £120 a year, and the south-west, at £147 a year, was about 20 per cent. above the average. That was not the highest figure—two regions paid more—but figures for all regions were relatively close together. Rolling forward to this year, the industry average is £264, but the south-west is paying £400, which is much the highest. The gap between the highest and the lowest figures has become enormous and the situation has got progressively worse over those years.

The reasons for that are fairly well known. In the first instance, the costs of cleaning up the coastline and of sewage processes at the coastline placed a huge capital burden on South West Water—the company and its customers had to pay the costs of that clean-up. Broadly speaking, the clean-up is complete, and certain expectations have been raised that, following that completion, the south-west can anticipate water bills returning to what is the norm for the rest of the country.

South West Water is now telling Ofwat and customers that, although it has completed the clean sweep programme, it has put in place a lot of new infrastructure, which will need to be maintained and supported over the years to come and will therefore cost money. Additionally, there are all the capital burdens placed on South West Water—as on all water companies—in terms of drinking water quality, the amount lost through leaking pipes and security of supply. Therefore, the company cannot make good its promise to charge a price nearer the national average.

Indeed, in addition to South West Water customers already paying by far the highest bills in the country, the periodic review in December, which covered the next five years, has placed on top of the highest bills much the highest yearly rises. It is not scaremongering or causing alarm to predict that, unless something is done, at the end of that five-year period South West Water will produce another eminently plausible programme for the following five years, which will be a reason why a further fortune must be spent and why bills must get higher. Everyone is paying higher water bills.

As I went round my constituency, I found that water rates and the council tax were the two biggest issues on the doorstep. It was quite different from other elections: despite all the previous rumpus, I heard much less about hunting and Europe.

The two things on voters' minds were water rates and council tax: that is fair enough, because we hold elections at a time of year when both those bills have only just arrived on people's doorsteps, and they will be at the forefront of their thinking, but in my experience those bills both caused anger bordering on rage. The council tax is undergoing a substantive Government review, and in any event I think that voters in the south-west understand that the whole country finds the council tax burden unacceptable. What is unique about the water rates is the fact that customers in the south-west are carrying so much more of a burden than those in other parts of the country. That, I think, has given rise to such a degree of rage.

In addition to the fact that water bills in the south-west are the highest, it is essential to point out that Devon and Cornwall have the lowest incomes in England. The highest burden therefore falls on those least able to carry it. It is well known that many people in Devon and Cornwall are of retirement age and live on fixed incomes. In particular, pensioners find that an unacceptably high proportion of their disposable income is going on their water bills. Each year they receive a modest state pension increase, but their water bills and the council tax between them more than eat up the entire rise. Indeed, on occasion, either increase might do it alone.

In my view, it is a gross injustice that these enormous bills are being paid by people on small incomes, and the time has come for the Government to intervene. Various options are open, but too much time has passed and it is now incumbent on them to decide how to tackle the problem—and to get on and do it.

We saw the problem coming when the water privatisation legislation was making its way through the House in 1988. My hon. Friend the Member for Truro and St. Austell said:

> "I hope that the Minister can assure the people of Cornwall that they will not be expected to meet all the costs of cleaning up the beaches, which are used by citizens of the UK and Europe, purely because the Government through their ideological approach are cutting off the potential to obtain money in other ways."—[*Official Report*, 8 December 1988; Vol. 143, c. 536.]

That problem, which was anticipated from the outset, is probably far worse than even the most anxious commentators suggested at the time.

Water Voice, which is meeting the Minister tomorrow, will, I am sure, invite him to cast his mind back to the Water Charges Equalisation Act 1977. It was enacted by a Labour Government, who recognised the problem caused by disparities in water bills across the country. Those on any benefit receive uniform support to help to pay their bills, but water bills have become hugely different from one region to another. The Act imposed a levy on each regional water company. The money went into a central pot and was then rebated out to water companies to help them with

[Nick Harvey]

some of their capital costs. The net effect should have been to get water bills as near to equal as could be achieved.

The 1977 Act was repealed in 1983 by the Conservative Government, who thought that it created perverse incentives, rewarded inefficiency and levied charges on efficient companies while handing out money to the inefficient. Several years later came water privatisation. Some would say that privatisation makes it impossible, impractical or undesirable to go back to the principle of water charges equalisation. I believe that the opposite is the case and that the fact of privatisation may make equalisation a better idea than it was when everything was in public hands. If we continued with a system of periodic reviews by Ofwat, and if in addition to considering price issues Ofwat imposed a levy of the kind I am describing, the company would know where it stood for the forthcoming five-year period. Furthermore, it would still have all the incentives to improve its efficiency and to do better than the figures—in effect, the targets—that had been set so as to make a return for its shareholders.

It is perfectly feasible to move to the equalisation principle despite privatisation. There are many sectors in which private companies compete, but where they do so on a regulated playing field. In the rail industry, for example, different operators work on the basis of completely different financial relationships with the Government: some involve rail companies paying in while others involve the opposite. The fact that the ownership of companies has transferred to the private sector does not prevent a return to the principle of water charges equalisation. I very much hope that when representatives of Water Voice come to the Department tomorrow to put those points to the Government, they are given a good hearing.

There are alternatives. The Government could, for example, grant aid some capital works, which would impose a new charge on taxpayers. Some might argue that it would be fairer in principle for the taxpayer rather than the water customer to meet such capital costs, because taxation is a fairer system of raising money than water charges. Frankly, I am not pushing one method or another. I am telling the Government that there is a huge issue here; it has been bubbling and simmering for years and it is coming to the boil. They must consider the various options and take action now to ensure that a huge injustice is put right.

At various times, my hon. Friends have argued for the water tariff to shift from the old rating system, which was abolished many years ago because it was discredited, and from using valuations that are years and years out of date. Instead, they argued, it should be based on the council tax. That would have the advantage that the council tax benefits system could be used to help those on very low incomes to meet their water charges. Although that idea had merit at the time, we very much hope that the council tax itself is about to be abolished, and it would be no solution to the water problem to attach the water tariff to another local government finance system that is on its way out. That would simply be to repeat the mistake of attaching the tariff to the old rateable values.

Alternatively, action could be targeted specifically on those on low or fixed incomes. I do not believe that that is a complete solution, because the burdens are unfair on everybody, but it would certainly make a welcome start if the Government targeted aid on those most in need of it. As I said, benefits are calculated on a national basis, but the bills that people have to pay differ significantly from one area to another. By the end of the current period, South West Water households will be paying an average of £444—2 per cent. of their disposable income, compared with a national average of 1.1 per cent. A single-pensioner household living on the minimum pension credit and paying an average South West Water bill might end up paying 7 per cent. of their disposable income on water and sewerage charges by the end of that period.

In March 2004, the Secretary of State said in her guidance that she would be reviewing how lower-income households are helped with their water and sewerage charges. We have to hope very much that something emerges to address the most desperate cases.

Overall, although average water bills have risen since 1994, they now make up a smaller percentage of household income than they did then. However, the opposite is true in the south-west, where 21.6 per cent. of households spend more than 3 per cent. of their disposable income on water and sewerage—that is heading towards 30 per cent., compared with a national average of 7.9 per cent.—so there is a huge disparity between the south-west and other parts of the country.

Representatives of Water Voice will put other issues to the Minister tomorrow. It is particularly keen for those who cause problems that lead to high sewerage bills to pay towards the costs that they create. I will leave that issue for Water Voice, but I think it makes a good point in some cases.

Highway drainage gets into the sewerage infrastructure, which invariably causes problems. It is particularly unpleasant for householders who get on the wrong end of the back-up of an unsavoury cocktail, as I have found when I have had to deal with issues of small, localised flooding in my constituency. Some of my constituents suffer repeatedly. They know that virtually every winter the hatches in their floors will rise and various unmentionables will appear in their houses. Highway drainage getting into sewerage infrastructure is a huge problem, although resolving it will lead to the additional capital costs that I have described.

Metering is also an issue. Hon. Members whose constituents come to their surgeries expressing horror at the size of their water bills are likely to recommend meters if they think their constituents will benefit from them. In England and Wales, 26 per cent. of customers have water meters, with the local variations from 61 per cent. in Essex to 5 per cent. in Portsmouth. Among the larger companies, only Anglian Water has a majority of customers—54 per cent.—using meters. Water Voice takes the view that in the long term most customers should pay on the basis of a metered supply, but that lower-income customers should receive help through the benefits and tax credit systems.

The Government need to introduce an explicit link between the tax and benefit systems and water charges if anyone is to be convinced that targeted help really is being produced through the system to provide some

comfort. Every time somebody takes on a water meter, that increases the pressure on the price that has to be paid by the rest of the customer base, so it can become a problem.

In the south-west, there are many second homes and holiday homes. Astute owners of such homes waste little time in getting meters because they use little water and therefore pay low bills. However, in parts of my constituency many such homes are in idyllic spots miles from anywhere, with beautiful coastal views, and massive infrastructure expenses are incurred in providing water and sewerage services to them. In some instances, therefore, the houses that are the most cost-intensive to supply pay the lowest bills. That is another anomaly that needs to be addressed.

I am delighted that a number of my hon. Friends and other hon. Members from the south-west are here for the debate. That demonstrates the strength of feeling on the issue. We have returned fresh from an election in which water and sewerage services were undoubtedly a major issue. The Government need to be told, and the purpose of the debate is to draw to their attention the strength of feeling in the south-west on that issue and the sincere belief that the situation has gone on for too long.

There are options, each with differing merits, and it is for the Government to decide which solutions have the most appeal. However, they cannot just leave the situation to drift on and on. They are turning into rebels and protestors people whom they would not normally expect to take to the streets and march, but that is where we will be headed if nothing is done. There is an immense need for action soon.

The public are very aware of this unfairness. Thanks to the good offices of the regional media—the *Western Morning News* and our regional television and radio companies—there is a high awareness of the disparity between bills in the south-west and those in the rest of the country. There is a good understanding of the issues involved and of why some expenses have mounted up, but the public are absolutely determined that there should be change.

I look forward to hearing from the Minister that the Government have got the message and that substantial change is on its way.

Several hon. Members *rose—*

David Taylor (in the Chair): Order. I would like to announce the ruling on procedure for debates on local rather than national issues, such as today's. In such debates, the Front-Bench spokesmen for the official Opposition and the Liberal Democrats will normally be allowed five minutes each. There will then be at least 10 minutes for the Minister to reply. I ask hon. Members to bear that in mind.

9.52 am

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Thank you, Mr. Taylor. As is customary, I congratulate the hon. Member for North Devon (Nick Harvey) on securing this Adjournment debate and on picking this particular subject. As he rightly said, it preoccupied us—Labour Members as well as his hon. Friends—a lot during the last Parliament.

I welcome my hon. Friend the Minister, as this is the first occasion on which I have had the opportunity to engage in debate with him. I think I am right in saying that he recorded either the only Labour gain, or one of two Labour gains, in the 2001 election. That was quite a feat, but holding his seat with an increased majority at the last election was quite remarkable. I hope he deploys in the Department the undoubted skills that he showed in the general election, particularly on the issue that we are considering today.

I would like to point out at the beginning that only the Labour manifesto mentioned water at all. On page 28, we gave a categorical undertaking that we would

"work to tackle diffuse water pollution through addressing impacts across water catchments without the costs falling on water customers."

In the context of the very large charges that we are talking about, that is, in some respects, a small issue, but it is an important signal that the Government are beginning to recognise the pressure that hon. Members have put on them on the matter of water charges in the south-west. I like to think that such recognition has resulted not only from lobbying by hon. Members, but, in particular, from lobbying brought to bear on Ministers—in particular the Minister for Climate Change and the Environment—by me and by Candy Atherton, the former Member for Falmouth and Camborne.

I remind the House that there was a proposal to move the office of Water Voice in the south-west from Exeter, and I want to record my thanks for the Minister's intervention, which followed his meeting with me and the former Member for Falmouth and Camborne, and my request to meet the chair of the national Water Voice committee with a delegation from the local Water Voice committee, and to meet Ofwat about the matter.

I pay tribute to the work of Noel Olsen, the current chair, and to his members for the work they have been doing to represent water consumers. I refer in particular to the help that he gave me in our fight to ensure that proper attention was paid to the sewage smells from Cattedown treatment works and those at Camels Head and Keyham, which continue to have problems. I know that my new hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) will fight that corner, assisted by the new code of practice and the good practice guide, which emerged from the clarification we sought of the law in that regard. I also thank Mr. Olsen for his help in seeing that the regulator ensured that the cost of rectifying the flaw in the original design of the treatment works—the figure involved was more than £1 million—was not passed on to water users.

I am sure that the Minister will remind the House of the Government's success during the previous Parliament in keeping water charges down. Nevertheless, as the hon. Member for North Devon pointed out, and as I pointed out in the Adjournment debates that I initiated in the previous Parliament on 10 November 2004 and in December 2001, the price hikes, added to the higher-than-average burden dating back to the 1989 privatisation, are unsustainable in terms of Government policy on tackling poverty and intolerable for individual constituents.

In my previous Adjournment debate, I said that I thought the review being carried out by the Department for Environment, Food and Rural Affairs would be

[Linda Gilroy]

challenged to come up with answers within the current regulatory framework. That comment has turned out to be right. A pilot scheme linked to the warm front programme was announced. It emerged from the cross-Government review of water affordability and will introduce targeted assistance for lower-income households. Also, it will take place in the south-west. I am not sure from the hon. Gentleman's remarks whether he has come across that initiative. It will help lower-income households to access all the assistance available and it will help metered customers to use water more efficiently.

The scheme will also promote the vulnerable groups regulations. I say to the Minister that I continue to be disappointed at the take-up in that regard. The regulations are limited in how they can help our constituents, because to qualify someone has to have a defined medical condition or be on a defined benefit and have three children. Even though considerable lobbying has been done on take-up, in 2001–02 only 4,716 people were in receipt of benefit through those regulations on the social tariff. According to the answer to a written question that I received on 7 June, that figure has gone up to 7,202, but it is still derisory, considering the number of our constituents who are in real hardship and struggling to pay these bills.

I have paid tribute to Noel Olsen and I understood his anger and that of Water Voice—indeed, I think hon. Members on both sides of the Chamber share their concern—but it was a bit cheap to deride the water pilot as merely putting hippos into cisterns, because there is a great deal more to it than that. One benefit of the scheme is that it will demonstrate clearly what we see in our surgeries all the time—the great hardship experienced by our constituents.

In the debate that I initiated last November, I mentioned a plethora of potential solutions that needed to be examined, some of which the hon. Member for North Devon referred to this morning. In particular, we need to consider how owners of second homes could pay a fairer share. I think Water Voice shares that view. The hon. Gentleman feels—more as a vain hope than anything else—that the council tax will be abolished. I do not think that will happen. Following the balance of funding review, I hope there will be major changes.

Mr. Colin Breed (South-East Cornwall) (LD): If the council tax is to remain, will the hon. Lady use her influence to see whether water charges can be attached in some way to council tax, rather than continue with the rateable system?

Linda Gilroy: The hon. Gentleman took the words out of my mouth: not only do I intend to do as he suggests, but I have been doing so for some time. I have made representations to the Lyons review to ask that the matter be considered. The hon. Gentleman will know that I co-chair the Public Utilities Reform Group, which deals with all utility issues but majors on the question of water. I will promote the issue at a meeting later this month, and I hope a representative from the Lyons review will attend. The matter is very important.

The council tax review must address the issues of pensioners who are asset rich but income poor. The same issues affect water charges. I have mentioned the vulnerable groups regulations, which, through the social tariff, help far too few people. I believe that South West Water has a trust fund of the sort that I advocated during the previous Adjournment debate, which some other companies had at that time. I do not think that anyone knows about it and certainly no one has engaged us as Members of Parliament to enable us to pass on its benefits to our constituents. The Minister could examine that and encourage the company to do more in the immediate future.

In reply to the previous debate, the Minister for Climate Change and the Environment said:

"We have not shut down the idea of review of structures, prices and tariffs. We remain open to new ideas about them." —[*Official Report, Westminster Hall*, 10 November 2004; Vol. 426, c. 312WH.]

Specifically, he said he would examine the study on variable tariffs done for the Joseph Rowntree Foundation. I know he indicated that consideration of altering the prohibition on mergers should not be ruled out. I am sure that the Minister here today has been briefed to be cautious about referring to that matter.

Pushed on that issue by our friend the former Member for Falmouth and Camborne while visiting her, the Minister for Climate Change and the Environment expressed merely mild support for it to be examined. That caused a share price movement. I must tell this Minister that the matter deserves serious and urgent attention, because this is a path that could help. This is a big problem and, as with all big problems, no one solution will produce a result that addresses the matter fully.

I was fortunate to secure the Adjournment debate in the House last night—fortunate only in some ways, Mr. Taylor, because it was a rather late one and I was torn between the subject about which I spoke then, the urban renaissance of Plymouth, and water charges. I wish to return to this subject to discuss the research that I have been conducting in Plymouth—in Plymouth, Sutton in particular. The Minister knows about it and I am seeking a meeting with his Department to discuss it. It will be the prime concern for PURGe, which I have already mentioned.

Hon. Members will recall that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), when he was an environment Minister, privatised the industry with a totally inadequate green dowry. There are all sorts of rumours about why that was, linked with the fact that the pension liabilities were totally unsustainable and there had to be a trade-off between the two. These frustrating questions are haunting the search for a solution.

I urge the Minister to convey the need to come up with solutions and to underpin them with a review of the whole regulatory process of the type referred to by Dr. Dieter Helm when he addressed the Select Committee. He mentioned the difficulty of current regulation:

"It creates set-piece artificial decision points, focuses management on the short term, and encourages game playing."

He advocates a longer-term review, comprising an overarching policy framework, 10-year fundamental reviews and much more reliance on an interim determination process to allow flexibility within periods. I look forward to the Minister's response.

Several hon. Members *rose—*

David Taylor (in the Chair): Order. I remind the Members who want to speak that there are 35 minutes to go before I call the Front Benchers.

10.5 am

Richard Younger-Ross (Teignbridge) (LD): Thank you, Mr. Deputy Speaker. I congratulate the hon. Member for South Dorset (Jim Knight), who is now the Under-Secretary of State for Environment, Food and Rural Affairs. I have taken part in debates with him on radio and on television stations in the south-west, and I found that he always listened to the questions put to him and tried to answer them. I hope that his new elevated status does not deter him from sticking to that record and that he answers some of the very serious questions that Members on both sides of the House will put to him today.

I also congratulate my hon. Friend the Member for North Devon (Nick Harvey) on securing the debate. He said that the issue was raised during the election; it certainly was. He also said that the election was held as legislation was being discussed, so it was inevitable that the issue would be raised.

We in Teignbridge have conducted our campaign on water charges through a rolling petition. We have gone out every month or every six weeks, and whenever we have taken our stall to Newton Abbot, Teignmouth or Dawlish and asked people whether they wanted to sign a petition on water charges, they have said yes. Indeed, when we petitioned during the election, queues of people signed—far more than have signed petitions on any other subject.

That is unsurprising, because, as my hon. Friend pointed out, some households are spending up to 7 per cent. of their income on water charges. That is in addition to the injustice of several households in the south-west already spending up to 11 or 12 per cent. on council tax. If we add those two figures together, Mr. Deputy Speaker, almost a fifth of householder income is being taken in statutory charges for council tax and water.

Those people have worked and saved, but a fifth of their income is being taken away. They might as well go back to work and pay 20 per cent. income tax—it is the same sum. They have worked hard all their lives, but we are still taking from them. We should not be doing so. This is an injustice. Today's debate is about water justice.

My hon. Friend also said that, after the current increases, water charges in the south-west will be three times as great as the lowest water charges in the country. Mr. Deputy Speaker, the water charges that we pay in the south-west—

David Taylor (in the Chair): Order. The conventional form of address in Westminster Hall is Mr. Taylor.

Richard Younger-Ross: I apologise, Mr. Taylor.

The water charges paid in the south-west after these increases will be three times what they were in 1989. That means that the rest of the country is, in effect, paying what we in the south-west were paying 16 years ago. What sort of justice is that? What sort of fair society is that? We know that the water companies, when privatised, were slow to implement the clean-up programmes, and it was the former Member for Bath, Chris Patten, who forced them to take the clean-up programme seriously. I must say that the water companies did a very good job in cleaning up the water, but that still left 3 per cent. of the population cleaning up 30 per cent. of the country's beaches in the south-west. That cannot be right.

A couple of years ago, the Government had an opportunity to correct this situation. They introduced the Water Act 2003. I thought then that we could propose an amendment to the Act to allow an equalisation scheme like the 1977 scheme, which was referred to earlier. Through it, there would, in effect, have been a levy on the water companies, which could have claimed back a grant against capital costs of programmes such as clean sweep. That would not have been perfect, but we were trying to work out how to use the legislation to make the system fairer.

There was no support from those on the Labour Benches—not one Labour Member supported that amendment. It had the full support of the Liberal Democrats, but was sadly opposed by the Conservative Front-Bench team, although its spokesman the hon. Member for Leominster (Bill Wiggin) is shaking his head.

Linda Gilroy: The hon. Gentleman is understandably making a strong case on behalf of his constituents, so why there was no mention of these issues in the Liberal Democrat manifesto?

Richard Younger-Ross: Our manifesto covered a broad range of subjects, and every issue on the environment was covered.

Bill Wiggin (Leominster) (Con): I led for my party on that Bill Committee, and I do not remember the hon. Gentleman taking part in the debates or introducing that amendment.

Richard Younger-Ross: The amendment was introduced on Report and moved by my hon. Friend the Member for Lewes (Norman Baker). I had proposed the amendment to my party, which supported it. A couple of Conservatives from the south-west—I will give credit to them—turned up and voted for the amendment, but it is a shame that the Conservative party decided to oppose it, because if we had got some cross-party support, we might have been able to persuade the Government that there was a way—

Linda Gilroy *rose—*

Richard Younger-Ross: I will give way in a moment.

David Taylor (in the Chair): Order. The topic for debate is water charges in the south-west. Would the hon. Gentleman return to the core themes?

Richard Younger-Ross: We had an opportunity to bring water justice to the south-west, but I am afraid that it was thrown away. We have an opportunity today

[Richard Younger-Ross]

to debate the issue further, and tomorrow the Minister has an opportunity to listen to what Water Voice has to say. It is an impartial body, and it has come to the same conclusion as many of us: there is no water justice in the south-west and something has to be done to relieve a large number of households of the heavy burden of water charges.

I ask the Minister to acknowledge, as a Minister did in the debate on the Water Act 2003, that there is a problem and that the Government will seek a way to equalise water charges to households in the south-west with those in the other parts of the country.

10.12 am

Alison Seabeck (Plymouth, Devonport) (Lab): We have heard a catalogue of complaint from hon. Members who have had long experience of South West Water's poor relationship with its consumers. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) has vociferously campaigned over many years for water bills to be reduced in the south-west, highlighting the disparity between our region and the rest of the country.

Apart from the serious concerns that my constituents have about the high level of their bills and the disproportionate impact on those on low and fixed incomes, they have also expressed deep unhappiness about South West Water's failure to communicate effectively with them. Given the charges levied, we would surely expect the company to be able to afford a decent public relations department, but no—constituents living in Ernesettle and close to the Camels Head works suffer regularly from the most unpleasant odours or stink. South West Water has been unable to give an acceptable explanation of the causes of the smell, which at times is so awful that the local residents find that it puts them off eating. It pervades the whole area.

What makes the situation worse is the historic failure of South West Water to communicate with those affected by the smell. It has taken a great deal of work by my hon. Friend and by my predecessor as Member for Plymouth, Devonport to elicit press notices for future works. Indeed, the local council was considering putting an antisocial behaviour order on South West Water, such was the desperation of local residents. I will study carefully the good practice guide for the water industry established by the Government in response to the public's concerns. I hope that that will enable practical solutions to complaints to be found in a way that is clearly not happening at the moment.

The quality of supply and the cost of water in the south-west will require ongoing serious consideration by the Government. I look forward to the Minister's comments.

10.15 am

Mr. Adrian Sanders (Torbay) (LD): The reasons for the high water charges are clearly and succinctly laid out in a House of Commons Library brief to our debate. It states:

"The high charges are due primarily to historical underinvestment and the traditional use of sea outfalls. Major improvements and treatment works on all these outfalls were necessary to comply with the EC Bathing Waters Directive. The Government decided that the upgrades in this region should be paid for by the customers of South West Water. This has meant that the vast capital programme to improve water quality at 30 per cent. of the designated bathing beaches in England and Wales is met solely by 3 per cent. of the population and local industry."

It is therefore clear that the problems our constituents face are a consequence of privatisation, and, in turn, of the fact that we have such a long coastline. It is also a consequence of something that has not so far been mentioned: the fact that we live in a large rural area where the distribution of water and sewerage services is, perhaps, more expensive than in a small urban area.

The Government knew at the time of privatisation that there would be a problem for customers when customer bases were small. That is why a green dowry was suggested and created. However, the problem with that dowry was that it was available to all the water companies, and because the larger water companies were more able to secure a larger part of the dowry than the smallest of the water companies—South West Water—the dowry did not actually help the south-west. South West Water itself makes that criticism of the dowry.

Linda Gilroy: Are the hon. Gentleman's constituents puzzled, as mine sometimes are, as to why such a small water company with such a small customer base was created? That is one of the big problems with regard to resolving the charges problem.

Mr. Sanders: The hon. Lady puts her finger on the key point: the problem is the size of the customer base. I will address that shortly. The result is that there is a substantial gap between the cost of the bills in the south-west and the ability of the customer base to pay, both in relation to its size and the fact that it contains some of the lowest-income households in the country.

There are things that customers can do and have done. There is no doubt that meters help; in a low-use household, a water meter will reduce the bill, and we encourage constituents to go down that route. If a household's property is not eligible to have a meter, the household is eligible for an assessed water charge, which will save it money if there is low usage. We also encourage people to take water efficiency measures. A lot more can be done in the area to reduce water usage, but that is true not just for the south-west but nationwide.

There is also the essential user tariff—means-tested support for a small group of people who are eligible. That is not widely known about, and more information should be made available, particularly through the benefits system, so that people are aware that certain medical conditions attract extra support towards water costs because water is essential in respect of those conditions. All those measures are available nationwide, so even if they were all applied, there would still be that gap between the south-west and the rest of the country. That gap is seen as an injustice.

I turn to the solutions. The first of them is the one that the hon. Member for Plymouth, Sutton (Linda Gilroy) put her finger on: we need to widen the customer base. As politicians, we cannot do that unless we intervene in the market. Finding a way of sharing the burden has to be the easiest route to finding a solution. Can the

Government intervene, regulate and peg charges? I pose that as a question. I do not like Government intervention and regulation, but if that is a last resort in the interests of justice, perhaps that is something the Government need to consider.

Can we do more to target support at low-income households, perhaps even in particular areas where they face higher-than-average bills? That would provide specific support for South West Water customers. Can we legislate and introduce some form of equalisation scheme to bring us back to where we were before privatisation, when water and sewerage charges were generally the same, whether people lived in Northumberland or north Cornwall? Those are the solutions and the people of the south-west want to hear that this Government will do something about the problem; they know that the previous Government created the problem and that the Conservative position at the general election ruled out any specific support. As the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) said on BBC Radio Devon, the Conservatives had no plans to help South West Water customers. The people of the south-west are therefore looking to this Government for a solution and to find some justice.

10.21 am

Mr. Dan Rogerson (North Cornwall) (LD): In view of your comments earlier, Mr. Taylor, I will try to be brief.

I congratulate my hon. Friend the Member for North Devon (Nick Harvey) on securing this debate, and congratulate hon. Members from all parties on the work that they have already put in and on the campaigns that they have been running over a number of years. Although I am a new Member of the House, I have been involved in campaigning on this issue outside the House for a number of years.

It is clear that consumers and all those involved in the water industry in the south-west are subject to two pressures: ensuring that we have the cleanest beaches and environment we possibly can and ensuring that the burden does not fall unfairly on the consumer. Those pressures, however, are pushing in different directions. The money for the environmental clean-up has to come from somewhere and, unfortunately, up to now the burden has fallen solely on the consumer.

There are a number of projects in my constituency on the north coast—in Bossiney, Tintagel and Boscastle—where the water company is proposing measures to try to meet water directives, but local people have seen that the treatment offered to them, which will be put in place in those areas, does not meet the standard that they would hope to have for their area. The reason for that is that their area of coastline does not have bathing beaches. That is a rather odd distinction, because the sea does not flow just to one part of the coast and not to the bathing beaches just around the headland. It is common sense to try to achieve a decent standard of treatment all along the coastline. However, it would be and has been unfair to see the burden of any such works fall on the people of North Cornwall, or indeed the people of the wider south-west.

We must consider not just the scale of the charges, as hon. Members have said, but the disparity between charges faced by the people in the south-west and those elsewhere. As my hon. Friend the Member for North Devon said, this is not just a problem faced by those on lower incomes, but a matter of what people, whatever their income, should realistically be prepared to expect as an outgoing compared with those in other parts of the country.

A number of solutions have been proposed. My hon. Friend the Member for Teignbridge (Richard Younger-Ross) talked about amending legislation, which raised the possibility of reawakening the idea of equalisation across the country. I am looking with interest to see what proposals the Government have to tackle this matter, and I hope the Minister can enlighten us.

I was slightly concerned to hear the views of my Conservative opponent in the general election, who, in a debate on Radio Cornwall, decided that the best way to tackle high water charges was to build more reservoirs. He thought that the problem was a shortage of water and that if we had more water, the cost would come down. He could not say how the new reservoirs would be funded nor what bearing such proposals would have on the costs faced by the water consumer, but perhaps his colleague the hon. Member for Leominster (Bill Wiggin) can enlighten me.

It is fair to say that water charges is probably the biggest issue facing those of all political parties the south-west. Indeed, it is the biggest issue facing people in Devon, Cornwall and the south-west in their day-to-day lives, when they have a family budget to balance. It is therefore vital that the Government come forward with proposals to address this issue. The hon. Members for Plymouth, Sutton (Linda Gilroy) and for Plymouth, Devonport (Alison Seabeck) said that they hope to bring pressure to bear on the Government. I hope that they do so and that this debate keeps the subject in forefront of the Government's mind as they consider their programme for this Parliament. I hope to see action on water charges soon.

Several hon. Members *rose—*

David Taylor (in the Chair): Order. I plan to call the Minister no later than 10.45 am.

10.26 am

Mr. Colin Breed (South-East Cornwall) (LD): Thank you, Mr. Taylor. I congratulate my hon. Friend the Member for North Devon (Nick Harvey) on securing this debate. We have heard some good and thoughtful contributions this morning. There is significant agreement on the problem, but perhaps not quite on what the solution might be.

We are reminded that a Government of some 30 years ago, in thinking about equalisation, recognised that there were two fundamental problems even then, pre-privatisation. They revolved around affordability and fairness, which are at the heart of this debate. Of course, there is a fundamental difference between charging for water and charging for sewerage services. If we consider the comparators in terms of water provision, we do not find much difference among many of the water companies throughout the country. It is in the sewerage department—if that is the right phrase—that we see the greatest disparity. That is because of the environmental clean-up and the significant costs of the infrastructure, which has already been mentioned.

[Mr. Colin Breed]

We are talking about vital public services that are essential to every household. Now that we have gone into privatisation, they remain, effectively, a tax, which people have to pay. They cannot even decide to use an alternative supplier, unlike in energy, where they can use different suppliers. It is impossible for us in the south-west to decide that Severn Trent looks a better option and ask it to supply our water or take away our sewage. We have no choice; we have to pay South West Water. We have gone from a public to a private monopoly. The unintended although perhaps not unknown consequence is that the problems we experience in the south-west have been exacerbated by privatisation, although the issue is of course linked to the green dowry and how it was introduced.

With the winter fuel payment, the Government acknowledge that there are energy pressures on low-income households, but nothing is provided to assist people with the vital public service of water. It was therefore unsurprising that the Select Committee, of which I was a member, looked carefully at affordability. Its excellent 19th report of the 2003–04 Session says:

"People on low incomes in areas with high charges can therefore face acute problems. The Government's own figure for affordability of water is that less than 3 per cent. of income should be spent on water charges. But WaterVoice argued that, based on the draft determination, by 2010 pensioners in the South West would be paying almost 11 per cent. of their disposable income on water and sewerage charges ... Ofwat concludes that average water bills would increase by 17 per cent. over the period to 2010, which compares with WaterVoice's forecast that typical measured bills in the South West would increase by 29 per cent. and typical unmeasured bills by 35 per cent."

Those astronomical figures show the urgency with which the situation must be tackled. They are projections based on current figures that have been agreed. We have recognised the unfairness in some situations, and the most prominent example is that of second homes. People who occupy their second homes very infrequently and make certain that they are on a meter pay significantly less than their next door neighbours, who live in their homes all the time.

Various solutions have been suggested over a number of years. If it were easy, I suppose it would have been done, but it is not easy and it still must be done. Equalisation may well be a way forward and it can take place in different forms. Clearly, what was intended under the Water Charges Equalisation Act 1977 would not be appropriate now, but there are other options. As my hon. Friend the Member for North Devon pointed out, privatisation does not provide a bar to looking at equalisation.

Tax and benefits might also offer a possibility. Paragraph 29 of the chapter on affordability in the Select Committee report states:

"In addition, it is conducting a cross-Government review of the ways in which low income groups are helped to pay. However, WaterVoice told us that the review had so far taken rather a narrow view of the options available for helping those on low incomes with their water bills and that the possibility of offering further help though the benefits and tax credits system has effectively been dismissed. If this proves to be the case, WaterVoice told us that it would be necessary to consider meeting the costs of programmes for the wider public benefit, such as those associated with cleaning up bathing waters or protecting special environmental areas, through general taxation. At present, it seems that the Government is reluctant to consider either option."

As the Government are not interested in tax and benefits, general taxation or equalisation, it is difficult to see just where they will look for the elusive solution.

A small point about the most recent regulator agreement to the increase in water charges was missed—the corporation tax treatment of the water companies. That was different when these privatised companies were set up, because the Government recognised that the pipes—the infrastructure—were the assets and needed special treatment. That has run its course. Part of the increase is an increase in tax to the Treasury. Will the Minister take up the cudgels with his Treasury colleagues and say that part of that extra corporation tax, which was a total windfall to them and perhaps even a stealth tax, could be used in this equalisation solution?

Finally, I end where I began—discussing the situation of 30 years ago. I shall quote a letter to the Minister for Climate Change and the Environment from Water Voice dated 11 February 2005. No doubt it will form part of the discussions tomorrow. Dr. Noel Olsen, the chairman, says in his last paragraph:

"Nearly 30 years after recognisation by Parliament of the problem the time has come for effective solutions".

I say amen to that.

10.34 am

Bill Wiggin (Leominster) (Con): No wonder people are worried about the cost of their water bills when customers of at least eight water companies face increases of over 15 per cent. this year alone. Indeed, customers of Dwr Cymru—Welsh Water—face a £34 increase. This argument is not about privatisation. Dwr Cymru is not a for-profit company. The argument is about legislation and the cost implications of the rules with which water companies must comply. Of course, the Liberal Democrats were bound to try to blame the Conservatives for privatisation, but we all know that this argument does not follow. Privatised industries can work effectively and efficiently, given the right legislative framework.

South West Water is the smallest water company and it has had to invest vast amounts to comply with European legislation. Ofwat's international comparison of water and sewerage, published in March 2004, also found that 19 per cent. of households have revenue outstanding from their water bills, creating collection costs of about £10 to £20 per indebted customer. This extra cost exacerbates the problem. At the end of 2004, long-term customer debt totalled £527 million. It is plain that water charges are unmanageable for many bill payers.

With increases to bills, these debts are set to grow. If water companies are to face customer debts on such a scale, that could lead to even greater price increases to compensate. The Government simply cannot ignore the serious need to address the impact of water bill rises on low and fixed-income customers. The attempts to cover over the cracks through cost reductions to the most vulnerable groups can work only to a certain extent. More often than not, it simply results in other customers having to subsidise the bills.

We need to know whether the Government are trying hard enough. At the end of 2004, Water Voice reported that the Government's attempts to consider the increase in water charges had resulted in

"a completely inadequate package of measures that fails to address the real problems of water affordability."

To avoid perpetuating and escalating the problems, more work must be done to look into alternatives for payments, action against customers who can afford to pay but will not, and the performance of water companies. It is the Government's job to intervene on the social aspects of water supply—precisely those that have recently been allowed to get so out of hand.

Linda Gilroy: Will the hon. Gentleman give way?

Bill Wiggin: Will the hon. Lady forgive me if I make a bit of progress? I will give way later if I have time.

Water Voice commented that

"the Government must take responsibility for finding solutions"

because of the "political and social dimensions" of affordability and water debt. It continued:

"It is not appropriate that the water companies, as private enterprises, should assess customers' individual circumstances and ability to pay their water bills, or to move away from"

accepted

"cost reflective charging principles."

The Government are clearly failing to control the impact of increased water rates on many people and businesses. How can the Government seriously claim to be helping families and first-time buyers of homes when those people face ever-increasing taxes and bills on top of the cost of their home? How can the Government expect to foster the growth of enterprise and business when, on top of all the other red tape and taxes they have thrust upon us, our businesses face some of the highest water charges in Europe? As Ofwat's international comparison also says:

"Prices to business customers in England and Wales, according to a survey by NUS consulting, are towards the upper end of the range in Europe, and increasing."

Indeed, Britain was the only country in Europe, apart from Spain, where water bills for businesses increased between 1997 and 2001. This Government have overseen large and ineffective increases in water charges. This Government have aggravated the water charges situation with tax increases that rapidly multiply the running costs for our water companies. The increase in national insurance has impacted on all water companies and, of course, that is reflected in the price of water.

Linda Gilroy: Will the hon. Gentleman give way?

Bill Wiggin: I have a moment, so I will.

Linda Gilroy: I thank the hon. Gentleman for giving way. I will be brief, but we on these Benches and the Liberal Democrats are listening with incredulity to what he is saying. Will he please apologise on behalf of his party leader, who gave us the inadequate green dowry and the far-too-small company that is at the root of this problem?

Bill Wiggin: I am sorry that that is the depth of wisdom at which the hon. Lady chose to intervene—a ridiculous suggestion. Of course I will not apologise.

This Government's periodic price review of water supply has resulted in continuing increases in water charges, although in many areas the quality of water still remains unacceptable. Despite the cost of water and sewerage services reaching unprecedented levels, Ofwat's international comparison found that 15 per cent. of water supply zones did not comply with regulatory requirements for the level of iron in the water supply in 2001–02, that 2.8 per cent. failed to reach regulatory requirements for pesticide levels and that more than 1 per cent. failed to comply with the requirements for nitrate and aluminium levels.

We all accept the need for investment in water infrastructure to improve water quality and protect the environment, but the Government are failing to do enough to ensure that the efficiency of those actions is maximised. As the chairman of Water Voice Wales commented:

"We are way short of twenty-first century standards with measures to prevent company sewers discharging their contents into customers' homes. The industry and government need to be realistic about current priorities and focus on the most pressing needs of customers."

There are so many opportunities to look into the costs of matters such as cleaning up pollutants in our water supply. If we are to avoid further deterioration in the water charges crisis affecting some of the most vulnerable people in Britain, the Government must accept that there is a problem. When Water Voice reports a near doubling of complaints in the north-west in the past two years and an 87 per cent. increase in the Wessex area between March 2004 and 2005—just two examples of a wider problem—something is clearly massively wrong.

The Government are not delivering and the need for more to be done to bring savings to water customers is obvious. The Government must look into all the options to help people in some of the most disadvantaged areas, who face the highest water bills in the UK, not least by ensuring that our water companies can operate in the most efficient and cost-effective environment, rather than one dominated by red tape and ever-increasing taxes.

I am sure the Minister will tell us what happened to the windfall tax of some £107 million, which was supposedly levied to create jobs under the new deal. I wonder how many of those were actually created.

Richard Younger-Ross: The Conservative leader said that he would do nothing to reduce the water charges in the south-west that we are debating today. What would your party do to reduce water charges in the south-west?

David Taylor (in the Chair): Order. That is a matter not for the Chair's party, but for the party represented by the hon. Member for Leominster (Bill Wiggin).

Bill Wiggin: It is a bit optimistic to have a go now, a few weeks after the general election, about what we would or would not do in government, but I understand that the Liberal Democrats in the south-west are sensitive about the Conservatives as we are obviously their main opponents.

Hon. Members: Where are they?

Bill Wiggin: I am here, trying to answer the intervention, and the hon. Member for Teignbridge (Richard Younger-Ross) should focus on what the Government are doing. *[Interruption.]*

David Taylor (in the Chair): Order. Let the hon. Gentleman be heard.

Bill Wiggin: To give the Minister a serious opportunity to deal with the problems of his constituents, and the constituents of all his colleagues, I shall make progress.

The Government must face their responsibilities in determining the balance between a regulatory programme that seems to be unable to relax and the prices that customers pay as a result. I hope that the Minister throws some light on what he proposes to do in the next four years.

10.43 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): I congratulate the hon. Member for North Devon (Nick Harvey) on securing this important debate and pay tribute to the high standard of the thoughtful and constructive speeches from Back Benchers who have contributed. I particularly acknowledge the work of my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy), who has raised this subject, which is so important for the people of Devon and Cornwall, on many occasions in the House. In the past, she was ably joined as their champion by my friend Candy Atherton, the former Member for Falmouth and Camborne. I learned of her absence from the House with particular regret.

My constituency, which is in the south-west, is not, I am happy to say, in the South West Water area. I pay my bills to Wessex Water, but I and my ministerial colleagues—not least the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Exeter (Mr. Bradshaw)—are particularly concerned about the effect of water bills on those who are least able to pay. That is particularly serious in the south-west, where there are already relatively high water charges. I noticed a little flurry when I mentioned my hon. Friend the Under-Secretary. Of course, ministerial responsibility lies with my hon. Friend the Minister for Climate Change and the Environment, but I know that as a south-west Member and water charge payer the Under-Secretary is very concerned about the issue.

I hope it will be helpful if I sketch out the Government's room for manoeuvre. In considering the problem of South West Water bills we are between a rock and a hard place. The rock is the framework of water industry regulation—a system put in place on privatisation by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) in his previous incarnation as an environment Minister in 1989. The system deliberately takes much of the responsibility for the water industry out of Ministers' hands and puts it into the hands of private sector companies and their regulators. The hard place is the way that costs in the south-west have been concentrated into high bills, with a complex infrastructure in a sparsely populated area serving a limited number of bill payers.

Providing necessary water and sewerage services as efficiently as possible is the responsibility of South West Water, and it is not for me to be that company's voice in Parliament—it must speak for itself. The economic regulation of water companies is the responsibility of the Ofwat, the independent economic regulator, and, equally, it is not for me to enter into a detailed justification of the exact price limits that it has set.

Each region, as well as each company and its customers, has its own problems and priorities. Costs such as bathing water improvements may have affected the south-west most heavily in the past, but problems such as nitrate removal, sewer flooding and the replacement of worn out infrastructure are at their worst in other parts of the country. Some aspects of the Thames Water system need to be cleaned up, and the north-west has conurbations with a large stock of Victorian infrastructure that needs expensive maintenance and renewal.

The quality regulators—the Environment Agency and the drinking water inspectorate—have secured benefits to customers. Revenue from customers and funding from investors have funded a programme of improvements in the south-west. The next five-year programme will enable the company to invest £760 million to carry out a bigger programme to maintain pipes, sewers and treatment works. Further improvements in water quality will be achieved, for example, by the renovation of more than 3,200 km of water mains in the region; an investment programme to improve rivers and coastal waters involving, for example, the upgrade of 40 sewage treatment works, which will, I hope, include action on the stink to which my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) referred; and resolution or alleviation of internal flooding from overloaded sewers—a problem to which the hon. Member for North Devon referred.

That is the company's programme. It is for Ofwat to ensure that it is funded to deliver its services at least cost. Ofwat argues that it has done much to keep the increase down. The company's proposal in its business plan was for an increase almost 40 per cent. higher than that which Ofwat eventually allowed. An average increase of more than £120 over five years has been reduced to £89. That 25 per cent. increase is the same as I received from Wessex Water, and it almost matched the increase of 1 per cent. less that customers of Thames Water and Welsh Water received.

I have sketched out the rock and the hard place, as well as how the regulator and the company work. It is reasonable for hon. Members to ask what the Government will do to help with this serious problem. We have heard a lot about that problem, but little in the way of solutions—indeed, none at all from the hon. Member for Leominster (Bill Wiggin), who speaks alone on this issue for the Tory party. There have, however, been some suggestions.

The Government have taken action, through legislation, to alleviate water poverty where there might be a risk to household health. We have legislated to prevent the disconnection of household water due to inability to pay, and we have set up protection for vulnerable people on meters, who might otherwise cut back on water that they cannot afford. I shall return to that issue if there is time.

The hon. Member for North Devon talked a lot about equalisation, as did many other hon. Members. That solution would involve shifting the burden on to national taxpayers or water customers in other parts of the country, depending on the mechanism introduced. I am not yet persuaded that it would be right to subsidise South West Water's investment either through a national fund drawing money from all water companies or by public subsidy from taxation. Any such solution would overturn the legislative and regulatory framework—a system that has delivered significant efficiency savings nationally, which have been passed on to customers, although I accept that those savings have not been delivered so well to many people in the south-west.

There is considerable risk that any national fund would weaken the connection between water companies and their customers, and it is questionable whether they would pay as much heed to their customers if customers throughout the country met the cost of their plans. There would be a lack of accountability and a weakening of the driver that encourages individual companies to keep their costs as low as possible.

I was interested to hear the hon. Member for North Devon say that one can impose a levy and make it work in the private sector. He cited, most extraordinarily, rail privatisation as an example of something that worked. I would hesitate to say that that is a good example, as problems remain in that system.

Nick Harvey: I agree with the Minister about the shortcomings of rail privatisation and how it came about. I was trying to make the point that the concept is not completely novel and that the principle of manipulating a market in which private sector players operate has already been established.

Jim Knight: I accept that, and I am sure that the Minister for Climate Change and the Environment will examine the hon. Gentleman's suggestions, as he will all those made today.

The use of the tax and benefit system was raised by, among others, the hon. Members for North Devon and for South-East Cornwall (Mr. Breed), and my hon. Friend the Member for Plymouth, Sutton. Indeed, the hon. Member for South-East Cornwall used the example of the winter fuel payment, which has gone a long way to address some problems that the elderly have in paying their fuel bills. However, that involves a flat rate and a universal benefit, which makes it easier to administer, and it is not geographically focused.

My concern about water is that the tax credit and benefit systems do not provide targeted support for the costs of particular goods and services—I am not aware of any exceptions to that based on discrete problems in one region. Extending the range of goods and services the costs of which are directly supported through tax credits or benefits in a targeted way would complicate the system and increase administration costs. The Government are not minded to introduce an explicit link between the tax and benefit system and water charges.

Mr. Breed: My point was not to do with a particular problem in a particular geographical area. The problem could be national, because there are low-paid households in difficulty in other parts of the country. My point was about the discrepancy in the percentage of income being spent on water charges. The Government recognise that 3 per cent. should be the average and 11 per cent. is clearly way beyond that.

Jim Knight: I accept to some extent what the hon. Gentleman says, which is why we have pursued the vulnerable groups regulations to deal with people with particular problems, and they are applied nationally. However, the debate has been about the extra costs that South West Water customers pay compared with others. We cannot deal with that through the national tax and benefit system because there would be a geographical focus, which would be difficult to introduce.

The hon. Gentleman mentioned the vulnerable groups regulations, as did the hon. Member for Torbay (Mr. Sanders) and my hon. Friend the Member for Plymouth, Sutton. They asked whether we would further extend the range of those regulations, and I can tell them that DEFRA, Ofwat and Water Voice are meeting to discuss that.

The hon. Member for North Devon and my hon. Friend the Member for Plymouth, Sutton raised the issue of second homes. There is a particularly large number of second homes in the south-west, including in my constituency. The Government recognise that there are issues as to the balance between the fixed costs of a network and costs that vary according to how much water is used. I certainly agree that second-home owners should pay their fair share.

My hon. Friend also suggested that the Government should facilitate water company mergers, and she has done interesting work on the subject, but there are currently no plans to do that. In the first place, it is not for the Government to tell companies whether to merge. Ministers are rightly removed from decisions on mergers. The legal regime for water mergers leaves the decision on what would be in the interests of competition and customers to the Competition Commission, with the advice of Ofwat. In any case, it is not proven that mergers would produce economies of scale. Ofwat's view, based on a 2004 study, is that no significant economies of scale would be achieved through water industry mergers.

Nor should proponents of mergers assume that the bills of a merged company would be averaged out, which is perhaps the most telling point for me. I understand that there may be issues involving the number of customers paying for a large and complicated network, but when companies with higher and lower water bills have merged in the past, the bills of the customers of the combined company have not been averaged out.

The regulator has considered it his duty to protect the customers of the lower-charging company from losing out—thus constraining increases—which has equally meant that the bills of customers of the higher-charging company have not been averaged down. I am sure we will want to explore that solution with hon. Members, but we would have to address some very basic problems if we went down that road.

So, what can we do? I have done what everybody else has done: talked about the problems and the problems with the solutions. That is the trap in this debate. The

[Jim Knight]

Government acknowledge that there is an issue of water affordability. The Environment, Food and Rural Affairs Committee's 2003 report on water pricing recommended that the Government review how poorer households are helped with their water and sewerage charges. That we have done.

Last year, a cross-Government steering group reviewed the matter. A wide range of stakeholders were involved in discussions and a report was published last December. It concluded that a range of measures is already in place to assist lower-income households with their water and sewerage charges but that there is scope for improving those measures in the near term.

The Government, Ofwat and the water industry are looking to progress the issues identified in the report. The principal recommendations included setting up a local pilot scheme to target water affordability assistance to lower-income households; studying how water meters affect households, with a particular emphasis, obviously, on lower-income households; extending the vulnerable groups scheme; extending the list of vulnerable group qualifying medical conditions that determine eligibility for help; encouraging water companies to deliver best practice on key affordability and debt issues; and asking Ofwat to review debt guidelines in 2006 to update and promote good practice.

Linda Gilroy: I am listening carefully to the Minister's description of the pilot scheme. I am interested to learn that it might involve some extension on the medical conditions, and I would be grateful if he confirmed that. Can he also make available to us an up-to-date report on how the pilot is progressing? The issue will, no doubt, be discussed at the meeting with Water Voice tomorrow.

Jim Knight: I can certainly ask the Department to look into giving my hon. Friend that update. The extension on vulnerable groups is one of the things identified in the report.

The pilot study, which will be held in the south-west region as an explicit acknowledgment of the problem it faces, will offer households assistance with accessing advice on saving water, installing water-efficient appliances and devices, and checking for water leakage. It will also undertake benefits checks, allowing us to deal specifically with entitlement problems in a locality, check for eligibility under the water direct scheme and the vulnerable groups tariff, offer advice on debt management and check to see whether switching to a metered supply could be cheaper, which, in many cases, it is.

South West Water customers have to pay more for their water and sewerage services than customers in other regions as a result of privatisation, which required each customer to pay the costs incurred by their water company. Regional variations in scale were, and are, inevitable over time. Identifying the problems, however, does not mean that there are easy solutions. So far, none of the ideas that have been suggested fully solve the problem in interests of customers. We will be running the pilot study and will look carefully at how it works to see whether any solutions arise from it.

Ministers are engaged in the ongoing search for a solution, and although we are yet to find one, we certainly have not given up. The pilot study in the south-west will focus our efforts to help the most vulnerable customers where that help is most needed. I have no doubt that many lessons will be learned from that work, and we will be able to take those lessons forward when we consider long-term solutions to the problem.

I have listened carefully to the points that have been made—I know that officials have, too—and the views of hon. Members will be fed back to the Minister for Climate Change and the Environment. I hope and trust that South West Water and Ofwat have listened equally carefully to hon. Members from both sides of the House, who have voiced so well the concerns of the majority of customers in Devon and Cornwall.

MG Rover

11 am

Richard Burden (Birmingham, Northfield) (Lab): I am grateful for the opportunity to introduce this debate on an issue of huge importance not just to my constituents but to the whole of the midlands and beyond. At the start, I congratulate my hon. Friend the Deputy Minister for Women and Equality on her appointment to the Front Bench.

Last Friday I attended a meeting held by the administrators PricewaterhouseCoopers for MG Rover's creditors. The creditors heard that they were unlikely to get much, perhaps even any, of their money back. I doubt that many will have been surprised by that, but there was a clear message from that meeting that they wanted some answers. My constituents, and the 6,100 former MG Rover workers, also want some answers.

The problem is not so much the fact that MG Rover was unable to survive. Everybody knew that for a long-term future, the company needed a partner. That was clearly and openly stated when Phoenix took over in 2000. It was equally clear at that time that there was never any guarantee that that would happen. The issue is much more the manner in which the collapse took place, and what led up to it. Why did the talks with the Shanghai Automotive Industry Corporation, which had been presented as far advanced, finally come to nothing? What happened about intellectual property rights, and had people been misled? Was there something fundamentally wrong with how Phoenix Venture Holdings had structured the businesses and run their affairs?

I am pleased that the Secretary of State has launched a thorough investigation. I know that some had political motives for rubbishing that investigation before it had even started, but I do not think that my constituents will be any more prepared to allow themselves to be used for such party political posturing than they were during the election. They simply want the truth, so I ask the Minister to confirm today that there will be no no-go areas for the investigation, and that the intention is for its results to be made public.

I advise some caution on the part of those who are now attacking the fact that Phoenix ever took over Longbridge following BMW's withdrawal in 2000, but who welcomed it, or even claimed credit for it, at the time. On the other side of the fence, I also urge some humility on the part of the "we told you so" brigade, including people who for a variety of reasons—some probably linked to self-interest—lobbied against Phoenix in 2000 and who relentlessly briefed against the company in public and in private thereafter.

Of course there were real questions, which emerged over the past four years, about the actions of the Phoenix directors. I have asked them a number of those questions to their faces in the past four years, but I must say that the endless scattergun stream of anti-Rover stories that have appeared in the press probably ended up getting in the way of proper scrutiny rather than promoting it. It also undoubtedly encouraged a bunker mentality on the part of the company. Whatever the Phoenix four may have been responsible for, I also believe that the endless public belittling of MG Rover by its detractors played a role in depressing both sales and confidence and in hastening the company's demise. Make no mistake, there is still real anger about that among former MG Rover employees.

I would also caution against the selective amnesia of those who claim that Phoenix took over Rover only because the Government somehow forced BMW to choose it in preference to a rival bid from the Alchemy venture capital firm. It is true that the Government, supported by the unions and local politicians including me, encouraged BMW to talk to Phoenix and seriously consider its bid rather than maintain exclusive negotiations with Alchemy.

However, we must remember that the Phoenix deal was done overnight on 8 and 9 May 2000. Alchemy had pulled out of its negotiations with BMW on 28 April, when it still had exclusive negotiating rights, so when Phoenix took over in May, the alternative was closure, with many more thousands of job losses even than there have been this year. Although the Phoenix deal meant that MG Rover workers had five years' pay that they would not have had if the plant had closed in 2000, one of the tragedies and injustices of the collapse has been that those workers have now lost their jobs, having bought the time for others to keep theirs.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): May I emphasise the fact that in West Bromwich, West an enormous number of second, third and even fourth-tier suppliers have said that that five years has enabled them to diversify their markets? That means that the potential impact in my constituency is significantly less than it would have been four or five years ago.

Richard Burden: There is consensus among serious commentators that the closure or massive downsizing of Longbridge in 2000 would have led to a great many job losses. I pay tribute to the work done by Advantage West Midlands, the Industry Forum, the suppliers and the manufacturing advisory service in encouraging the supply base to diversify.

Mr. Jim Cunningham (Coventry, South) (Lab): I served on the Trade and Industry Committee at that time, and it was obvious to us that had Alchemy taken over, there would have been a bigger catastrophe than there is now. Five years down the road, people tend to forget what the circumstances were. We spent many hours on the issue—hon. Members can look at the report. It was not something that we took lightly. We went to the site and spoke to everybody concerned, and it became apparent that despite press statements to the contrary, Alchemy was perceived to be an asset stripper.

Richard Burden: I am grateful to my hon. Friend. Had the Alchemy deal happened, it would not have been in the interests of Longbridge, the company or the supply chain. However, we should remember that there was no Alchemy deal on the table when the Phoenix deal was done. The choice was between Phoenix and closure.

I am sure that the Phoenix directors would like to be remembered for having helped to buy the time that we have been talking about, during which the region pursued a brave but ultimately unsuccessful strategy.

[Richard Burden]

However, it is difficult to square that with some of the subsequent decisions, which meant that the company's failure cost the employees a lot more than their jobs.

The car leasing policy that was promoted internally left employees exposed to unsustainable debts in the event of company failure, and failure meant that employees' pensions could be put at risk. The company's suppliers know only too well that the risks were transferred to them from Phoenix—as do the retailers, who found themselves with responsibility for stock worth a lot less than the debts that Phoenix had encouraged them to incur with finance companies.

Having left others so seriously exposed to the effects of failure, the Phoenix directors appear to have systematically insulated themselves from those effects through the proceeds of multi-million pound loan notes and pension pots. That is not morally sustainable. The gains that the Phoenix directors awarded themselves should be put to work for the benefit of those who have lost so much, and whose needs are, to speak bluntly, greater than those of the Phoenix four.

Mrs. Caroline Spelman (Meriden) (Con): I congratulate the hon. Gentleman on having secured this important debate. What happens to the existing pensioners depends on how the situation plays out. I am sure that, like me, the hon. Gentleman has constituents who retired between 2000 and 2004 and who will be very badly hit if the pension fund is drawn into the Pension Protection Fund. Will he join me in calling on the Minister to consider that injustice towards approximately 200 pensioners who retired during that time, and whose pension terms will be fundamentally altered from what, during the intervening years, they were led to believe that they would retire with?

Richard Burden: The hon. Lady pre-empts something that I was going to say a little later—but I am not sure whether 200 is the correct number for those affected by the Phoenix pension fund. In fact, several of those people would be secure in the BMW pension fund, but the principle behind the issue that she raises is important.

I am pleased that the Phoenix directors appear to be taking up a suggestion that I put to them last year at the Trade and Industry Committee by putting the remaining assets of Phoenix Venture Holdings into a trust for employees. It would also be useful to know if any funds are left in the company Techtronic. However, if the Phoenix four are concerned about how history will judge them, which I am sure they are, they also need to contribute from what they awarded themselves.

It would be arrogant for anyone with an involvement in or after 2000 not to consider whether the courses of action that we took then were the right ones, or for anyone to take the view that it was all everyone else's fault. I do not believe, however, that the unions, or any of us, were wrong to look for an alternative to the massive downsizing or closure of Longbridge. Nor do I believe that it was wrong to try to buy time for the region to adjust, or to allow time for a partner to be sought to secure the future of Longbridge. The Labour Government were right not to turn their back on Rover in 2000, as the Tories turned their backs on so much manufacturing in the 1980s. Indeed, what has happened in the past five years does not indicate that there was too much Government intervention in 2000. Perhaps there should have been more.

The days of old-style intervention and nationalisation are long gone, and rightly so, but I ask Ministers to consider the possibility that those of us who have argued at different times in the past five years for the Government to consider acquiring a strategic stake in the company, or other forms of leverage, may have had a point. Perhaps that could have played a role in allowing greater transparency and more investment in new products without falling foul of European Union rules, and perhaps even boosted MG Rover's credibility in its search for international partnerships.

Public authorities should reflect on how their own procurement policies hastened MG Rover's demise. Why do we so rarely see a British police car that has been built in Britain, such as a Rover or a Jaguar, when one would never see a French police car built anywhere but France, or a German police car built outside Germany?

I do, however, pay tribute to the speed with which the Government reacted to the failure of MG Rover—paying employees' wages while attempts were made to restart negotiations with SAIC, establishing the MG Rover taskforce and building on the lessons of 2000—and to the preparations made since then. Credit is also due to the members and partner agencies of the task force, led by Advantage West Midlands, for the fact that it moved so quickly to bring Jobcentre Plus, the learning and skills council, the colleges, the Department of Trade and Industry and other agencies to process redundancy payments, to draw up individual training plans and to assist with job search for employees affected, all while working with business to provide support to give companies in the supply chain a breathing space to react to the collapse. I am sure that the Minister will give the figures on that, so I shall not take up time doing so here.

I also pay tribute to all those, including Birmingham city council's neighbourhood office staff and the staff of other statutory agencies and the voluntary sector, who have staffed helplines and provided support at a human level to the employees. Particular mention, however, must be made of the contribution made by the trade unions, especially by stewards who were also employees of MG Rover and of other affected companies, and who have experienced the same uncertainties and pain as those whom they are trying to help and advise.

Let us not forget the families of MG Rover workers, led by Gemma Cartwright, whose efforts remind us all that this is not only about Longbridge the workplace, but about the communities that rely on it. Most of the challenges that they face still lie ahead. I hope that everyone will do what they can to build on the support that they have established.

Before I finish, I shall mention some of the issues that remain to be resolved and some of the lessons for the future, which I ask the Minister to address in her winding-up speech. Conflicting provisions in benefit rules and redundancy regulations have been shown to get in the way of doing the right thing by employees with regard to pay in lieu of notice and in the speedy processing of protective awards claims. Those provisions have also been a disincentive to people

obtaining new jobs until they know that the awards have been paid. That cannot be right, and needs to be addressed.

We need to reconsider the operation of barriers, such as the 16-hour rule in particular, that prevent people on benefits from accessing training. There has been a creative approach to that with those affected by the MG Rover collapse, but a more fundamental review is required if we are to promote rather than restrict flexibility and security in the labour market, and if we are to breed a culture that actively encourages people on benefits to learn and retrain rather than discouraging them. The taskforce needs to track how successful the training input is in creating opportunities for people to return to work. Incidentally, I also ask the Minister to ensure that the money for the exercise comes through properly, and does not get caught up in bureaucratic boundary disputes between Departments.

Thirdly, what happened to MG Rover has underlined why the Government were right to establish the Pension Protection Fund, but has also highlighted issues regarding the PPF rules. That relates to the point that the hon. Member for Meriden (Mrs. Spelman) made. I am pleased that Ministers have made it clear that they are determined to overcome the problems, and like the hon. Lady, I ask them to address the potentially perverse impact on people who have already taken early retirement.

MG Rover is an issue of significance to the entire west midlands and beyond. Many of the challenges for component manufacturers are yet to be felt, as emergency assistance starts to come to an end. The epicentre, however, is south-west Birmingham, whose identity has always been intertwined with Longbridge. It is an area with a massive concentration of MG Rover workers and their families, which means that it faces extraordinary challenges ahead, not just for months but for years. Although a lot has been done to diversify the west midlands and reduce its reliance on MG Rover in the past five years, a lot more remains to be done in the areas immediately surrounding the plant.

It is surprising that despite the instability of MG Rover, south-west Birmingham is one of the few areas of the city that is not designated as a regeneration zone by the regional development agency. That creates ongoing problems for the area in accessing regeneration and other investment. The funding mechanisms available to south-west Birmingham need to reassessed, to upskill the people and to provide real opportunities, including physical opportunities, for redevelopment. Such issues should be at the forefront of Ministers' minds when they make decisions—for example, about how the Lyons review is implemented. I hope that they will respond positively to the exciting suggestion of creating a national centre for nanotechnology at the Longbridge site, and to the ideas about how the royal centre for defence medicine in Birmingham can develop.

As for the future of car making at Longbridge, I ask Ministers to bear in mind the fact that the administrators have confirmed that three credible bidders are interested in MG sports car-based production, and that two may be interested in more extensive car production. Nobody should raise false hopes about the scale of what may be possible, and I do not want to do that. However, I would be grateful if my hon. Friend the Minister would confirm that the Government will do everything they can to help retain sustainable car production at Longbridge, particularly as it becomes increasingly clear that the Shanghai Automotive Industry Corporation's acquisition of certain intellectual property rights for Rover cars and Powertrain engines means that a possible, if different, joint arrangement with a car producer at Longbridge could still make a great deal of sense. If my hon. Friend could give some comfort on that subject, I am sure that people in Longbridge and throughout the west midlands would be very pleased to hear it.

11.19 am

Miss Julie Kirkbride (Bromsgrove) (Con): I, too, congratulate the hon. Member for Birmingham, Northfield (Richard Burden) on securing this debate. We share the Rover car plant between our two constituencies. The past few months have been gruesome in my constituency and elsewhere in the west midlands, although really it is the past few years that have been gruesome, as we have watched the slow death of MG Rover since BMW pulled out in 2000.

It is worth going back over the history, because, as the hon. Gentleman will not be surprised to learn, I rather dispute his view of how we got to where we are now, and of the decisions that the Government took. In 2000, when BMW announced that it was going to sell the car plant if it could, the then Secretary of State said that he had no idea that the Rover car company was in such great trouble. It beggars belief that anyone could be Secretary of State for Trade and Industry and not be aware of the difficulties of Britain's only domestic car maker. Nevertheless, that is what the right hon. Member for North Tyneside (Mr. Byers) said at the time. There is no question but that the Government, in a flat panic to try to put a sticking plaster over the difficulties that had been created by that announcement, ordered BMW to sell the car plant to Towers and the Phoenix consortium.

When the hon. Member for Birmingham, Northfield says that there was no deal on the table to be done by Alchemy and Jon Moulton, because he pulled out before that period at the end of April—

Mr. Jim Cunningham: Will the hon. Lady give way?

Miss Kirkbride: In a minute.

Jon Moulton did not bother when it became clear that the Government were going to have that car plant sold to Towers and the Phoenix consortium. He had better things to do with his time than be the Government's puppet. I would be grateful if the hon. Member for Coventry, South (Mr. Cunningham) would tell me whether he thinks that the Phoenix consortium directors and Mr. John Towers are asset strippers—the term he used to describe Jon Moulton.

Mr. Cunningham: I shall answer the hon. Lady's question if she will answer mine: what proof has she that the Government ordered BMW to sell the company?

Miss Kirkbride: It is interesting that the hon. Gentleman does not want to comment on the other business, about asset stripping.

Mr. Cunningham: We can come back to that later.

Miss Kirkbride: Proof is always difficult to get from this Government, because they try to hide from it most of the time. However, it is worth reviewing what was said at the time by the then Secretary of State, the right hon. Member for North Tyneside. He said that he was happy, and continued:

"I would like to add my personal congratulations to John Towers for the way in which he pulled the consortium together and brought what I know have been difficult negotiations to a successful conclusion. he has been determined and dogged in the face of hostility and criticism. His personal strengths will be invaluable to the Phoenix consortium."

How very prescient that was, certainly when it came to Mr. Towers' own pocket.

The right hon. Gentleman continued:

"we have taken an active role to facilitate the commercial negotiations over the future of Rover . . . It was the Government who brought John Towers and BMW together for their first face-to-face meeting a month ago on 16 April and we have remained in contact with both parties throughout the negotiations."—[*Official Report*, 9 May 2000; Vol. 349, c. 645.]

That is as near as it possibly can be to proof that there was a stitch-up by the Government.

Mr. Cunningham: That is why it is vital that we have a proper inquiry—so that any information that comes out is independent of political motives.

Miss Kirkbride: I am certainly very keen on the inquiry. We will have to see what it comes up with, but given the nature of other inquiries that have taken place, I am not holding my breath about whether we will get to the truth. Nevertheless, we will take a great interest in the inquiry's findings, and I hope that justice is done as a result.

Lynne Jones (Birmingham, Selly Oak) (Lab): My recollection is that the hon. Lady was vocal in welcoming the Phoenix deal. I do not recall her suggesting that Alchemy's alternative proposals would have been a better deal, or saying that it had decided that it had no chance because of the Government's overbearing disposition. Does she really think that the Government can tell a company such as BMW what to do? Come on.

Miss Kirkbride: The hon. Lady should look at the *Hansard* report of the exchanges at the time, because she will notice that I am careful with what I say about John Towers. I say precisely nothing—

Steve McCabe (Birmingham, Hall Green) (Lab): No change there, then.

Miss Kirkbride: It was always obvious what was going to happen. If the hon. Lady does not live in the real world enough to know that given the number of cars that BMW sold in Britain, the Government would have an influence on how it behaved over its withdrawal from Rover, she too is clearly not qualified to be Secretary of State for Trade and Industry. She needs to understand how this works.

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): Will the hon. Lady give way?

Miss Kirkbride: I have given way enough for the time being. I have only got to what happened five years ago, and there is a lot more to say.

Richard Burden: I have had my turn and I do not want to take up a lot of time, but the hon. Lady referred to the 2000 *Hansard*, and I have a copy of that. Her comment in response to the Secretary of State's statement was:

"The news that the bid is going ahead is extremely welcome and heartening for the 1,500 workers in my constituency employed at Longbridge."—[*Official Report*, 9 May 2000; Vol. 349, c. 652.]

She was also reported in *The Herald* on 10 May as follows:

"Bromsgrove MP, Julie Kirkbride, said the news was 'heartening'. Last week the situation looked 'incredibly bleak', she said. 'Now we have a great deal of hope. People know that we are not out of the woods yet, but there has been a major step forward today."

Miss Kirkbride: The hon. Gentleman can say as much as he likes, but he will notice that in nothing I said about the takeover by the Phoenix Consortium did I endorse it. We always knew that we would end up here. As he should know, when people are unemployed it would be churlish not to say that the possible end to unemployment is heartening. He is a politician, and if he does not understand the meaning of words, I fear that there is no lesson I can give him on that subject either.

Let us go back to another point that the hon. Gentleman made. He said that during the last five years—

John Hemming (Birmingham, Yardley) (LD) *rose*—

Miss Kirkbride: I hope that the hon. Gentleman will forgive me. I will give way at some point, but I must make some progress. During those five years the Government gave very little help to the Rover car company. They bought 28 cars under the Rover marque—

Mr. John Spellar (Warley) (Lab): On a point of order, Mr. Benton. Is there a time limit on speeches in this debate that would prevent interventions?

Mr. Joe Benton (in the Chair): I intended, when the present speaker had sat down, to draw attention to the fact that quite a few hon. Members had indicated a desire to speak. In fairness to the Minister, I will start the wind-up speeches at 12 o'clock. The rest is up to hon. Members.

Miss Kirkbride: Before I was interrupted, I was pointing out that the Government Car and Dispatch Agency had only 28 Rover cars.

John Hemming *rose*—

Miss Kirkbride: I am sorry, but I shall not take any more interventions for the time being, as it is not fair to other hon. Members who wish to take part in the debate. *[Interruption.]* My hon. Friend the Member for Meriden (Mrs. Spelman) says that I have been very generous. I agree.

Just this morning I got an answer from the Minister in charge of the Motability scheme, and it is interesting to note that there is little support for our domestic car maker there either. Of 171,638 Motability cars bought with the help of Government funds last year, just 2,606 were bought from Rover.

The company creaked on. There was a possible deal to be done with the Chinese, who basically took the Government and the PVH directors to the cleaners. They bought the intellectual property, but without the car plant, and without the future of production at Longbridge. When the Chancellor of the Exchequer went to China and failed to produce a deal, the writing was on the wall that the company would close, because without a foreign investor, it simply could not carry on.

Ministers were left in something of a dilemma. The clock was ticking towards a general election, and they did not want the whole thing to blow up just beforehand. Sadly, it became clear to them that if they could not hang on to the situation, it was much better to let it blow up early in the general election rather than closer to polling day on 5 May.

I am sure that Labour Members will not believe me, but they might believe the business editor of *The Birmingham Post*, John Duckers, who also made this point. In his article of 22 April he wrote that when Ministers returned from China, the Government determined that they must not have a Rover crisis breaking in the days immediately before polling day. They dared not risk that happening, so they decided to dump the ailing car giant well ahead of polling day.

John Duckers went on to quote a highly placed source:

"'The election was happening and Labour could not afford something like this towards the end of the campaign. The Pope was dying, there was the Royal wedding between Charles and Camilla and that was concentrating attention.' Labour, he said, had to keep the issue controlled and so news management went into overdrive. No one is suggesting that the MG Rover might have necessarily been saved, but, it is maintained, the Government chose when it was to go down".

I agree with that, bearing in mind the fact that the previous Secretary of State announced that the company would be going into receivership before the board had even decided that it would. The Government's complicity in this is clear. *[Interruption.]* I am not surprised that Labour Members are having a fit about complicity in selling Rover to the PVH consortium, because the record of what PVH has done, and John Towers in particular—

Several Hon. Members *rose* —

Miss Kirkbride: I will not give way. I have quite enough to say, and it is worth putting it on the record, because it is important.

The reason why the Government do not want to admit any culpability is that the

"tale of greed and gullibility",

as the *Financial Times* puts it, that surrounds the whole episode can be laid firmly at the door of the Government and the Towers consortium. The *Financial Times* leader of Saturday 9 April says that it is the story of

"a spineless government taken for a ride by entrepreneurs who succeeded only in enriching themselves . . . This is capitalism at its ugliest . . . They"—

the PVH directors—

"did what any ruthless entrepreneur would have done in their situation: incentivise, strip assets, take cash out early."

That is exactly what the directors did. The £427 million that BMW left for the company was put into a separate account for the benefit of the directors. Then the car-making plant was charged interest on the loan that it took from the £427 million. They set up a separate little company for the car loan book, in which they have a 50 per cent. share, along with the bank, and of course they sold the entire site of Longbridge from under the feet of the company. The point is that now that the company is in administration—although obviously, we hope that some resurrection can take place—they simply do not own the land on which the car production facility sits, and St. Modwen would dearly love to use the land for something other than making cars, which has not been seen to make much money recently.

John Towers and his fellow directors stand firmly in the dock accused of greed, asset stripping and taking the company, the employees and the Government for a ride. There is no question about that. Indeed, one particular fact says it all. As we all know, the car company was owned by BMW. Last year, BMW made £2 billion, but its chairman, Helmut Panke, earns less than John Towers pays himself in a company that has never made a penny during the five years for which he has been in charge.

It is interesting to note that when the previous Secretary of State was at the Birmingham motor show in May 2004, she defended the sums that the Rover directors had been awarding themselves. She said:

"I am very pleased with Rover's performance and I look forward to going to their stand to look at the new redesigned Rover 45. There was a very big risk involved when setting up Rover again when it looked likely to come to the end of the road for car manufacturing."

Quite what risks the PVH directors took, I find it difficult to establish, but their greed is clearly established, as is their £16.5 million personal pension pot.

Meanwhile, the other Rover car workers still face the worry about what will happen to their pension savings. That is one issue that I hope the Minister will do more to clarify, because there is considerable uncertainty. I have received written answers saying that the Government "believe" or that it is "expected" that something will happen, but there is no certainty that the Pension Protection Fund will kick in to protect the pension savings of the people represented by me and by many other hon. Members in the Chamber. We would like more clarity on that subject.

As my hon. Friend the Member for Meriden said, we would also like the Minister to make clear the position of the workers who retired early, who feel particularly vulnerable about the application to the Pension Protection Fund. If that is the way forward, it will severely reduce their expected living standards.

I would also be grateful if the Minister could establish for us how there can be an application to the Pension Protection Fund when the holding company of PVH is not in administration. My understanding is that until it is, there can be no application to the pension protection fund. How will we be able to engineer the moment when such an application can be made, as private assets are involved? What happens if the holding company does not go into administration? What happens to the Rover workers' pension savings, and how can we ensure that people receive the money that they have saved for their retirement? Some clarity on that issue would be particularly helpful.

[Miss Kirkbride]

I understand that an inquiry is going on, but I should also be grateful if the Minister clarified whether the pension pot provided for the directors could be included in the general pension pot, so that everyone had to share the shortfall in the payout at the end of the day. Although I represent many Rover workers, I also represent many other people who are not Rover workers, but whose pensions will be subject to a levy to cover the shortfall at the plant's pension scheme.

Although I welcome that, it is grossly unfair to put a levy on other workers' pensions because funds have been stolen from the pension fund and the Rover company's assets, which rightly belong to the creditors for payment of the liabilities, and to the pension fund. It is important that we fill that pot as much as possible from the potentially stolen assets, to ensure that when we pay out on what is effectively an insurance policy, the arrangement is fair, and someone else has not run off with the money and forced the rest of us to pick up the pieces. I should be grateful if the Minister talked about that.

I, too, pass on my thanks for the efforts that have gone into the taskforce. I thank all the people who manned the phone lines, organised the training and tried to establish job opportunities for people. The Minister will be aware that at the moment the job situation still looks rather bleak; slightly more than 500 people have jobs, but 6,100 people are unemployed. I hope that that situation will change and that people will be in a position to find new well-paid jobs when the redundancy money finally comes through. However, at the moment the picture is not as good as we might have hoped, bearing in mind the efforts that have been made.

Will the Minister set out exactly how much money has been paid from Government funds into the taskforce? I understand that at yesterday's meeting there was a fair amount of muttering about the fact that moneys had not been forthcoming, and there was a view that the impetus from the Government had disappeared, as some weeks had passed since the general election.

Will the Minister clarify how much money has been paid over? A steady stream of my constituents have been expecting to have some training, which has not been forthcoming. They have not even been put on a training course. A good example of that arrived by e-mail just yesterday. Someone who wants to take a plastering course that costs approximately £400—to learn a skill that seems highly relevant, as there is a shortage of plasterers in our region—is being turned down by the learning and skills council, which is part of the taskforce. There have been significant problems with how training has been forthcoming for many workers, although there have been some success stories.

Mr. Mahmood: Will the hon. Lady give way?

Miss Kirkbride: I feel that I am eating into other people's time—[HON. MEMBERS: "You certainly are."] I shall simply say that I would be grateful if the Minister clarified the money position as well.

What of the future? The hon. Member for Birmingham, Northfield made great play of saying that there was no future other than Phoenix Venture Holdings and the activities of the directors. However, had Alchemy taken over back in 2000, there would have been a £50,000-plus pay-off for the workers. Some 2,000 people would have been employed in making MG sports cars, and suppliers would have produced component parts for MG sports cars made at Longbridge.

It is pretty sad that because we now have a fire sale, as opposed to an organised sell-off of the car plant and its land, we may well not see the resurrection of car making—not even under the very successful MG sports car brand—on the site at all. That is particularly bittersweet, because this year is the original Austin works' 100th anniversary, which will be celebrated in Cofton park in my constituency. The company was the pinnacle of British engineering, innovation and design over the past 100 years, and it is very sad that this particular year should see its demise. Because this is effectively a fire sale, it will be particularly difficult to resurrect the company. Nevertheless, we hope that that will be the case, and that we will have something more to celebrate by 8 July, with that niche player coming back into the market.

11.40 am

Steve McCabe (Birmingham, Hall Green) (Lab): I begin by congratulating my hon. Friend the Member for Birmingham, Northfield (Richard Burden) on securing this important debate. I want to focus on the issue of training and its evaluation, which has been raised by other Members, but there are a few points that I want to make first.

I welcome the inquiry; it is important that we should know exactly what happened. Some of the arguments have been put in context today: things sound different when one reads the quotes that people gave at the time. Those of us with slightly longer memories hope that the inquiry will also recall how Rover came to be in the hands of BMW in the first place, and how the tie-up with Honda—one of Rover's most successful periods—was severed by the actions of the Conservative Government, in what workers in the area would describe as industrial vandalism. I hope that the inquiry will look at the whole picture.

I welcome what the taskforce and the regional development agency appear to have achieved in the short period of two months or so. I was intrigued to hear the hon. Member for Bromsgrove (Miss Kirkbride), a member of the taskforce, ask about the training components. I hope to find, when I read the minutes, that she has been asking such demanding questions there too, because it would be a bit pointless if she were only asking them here, when she has been afforded such an opportunity elsewhere. I look forward to seeing the taskforce's work.

Many of us were at a meeting with the representatives of the taskforce last week in the House of Commons, at which I was interested to hear that it intends to write up the whole experience, so that for the future we will have a model of what can be done if we have to face job losses on this scale again in any part of the country. That is a welcome process, and I look forward to reading about it.

We will be able to read about the input and the actions of the taskforce. Welcome though those are now, we do not know what will happen to the affected people, many of whom are to receive further training—some short-

term, some in higher education—which I also welcome. I believe that the hon. Lady said that slightly less than 10 per cent. of those people have found new jobs, but we do not know what will happen to the larger mass of affected people—those employed by MG Rover or related industries—and their families, many of whom live in my constituency.

We should look systematically at what happens to such people. I did not think that the answer afforded by taskforce representatives at last week's meeting was wholly convincing. It is not enough to assume that learning and skills councils will track the outcomes of training for those employees. If we are to have a report on Rover, what happened at the outset and what the taskforce did, we need to know about the outcomes, too.

There is an argument, which I hope that the Minister will consider, for a systematic study of what happens to Rover workers and their families. I should like to know what training they had, how many of those training episodes had a successful outcome, how many people started small businesses, and how those businesses had fared by the end of, say, two years. I would also like to know how many people were forced to leave the area, as that will have implications for further work needed in similar situations. It is not sufficient to rely on the learning and skills council, not least because, as has been pointed out, about 40 per cent. of Rover workers do not live in Birmingham, so the work would involve more than one LSC.

Mr. Jim Cunningham: Does my hon. Friend agree that, in addition, we must consider the number of redundancies, how the suppliers have been affected and whether adequate training facilities are available—and whether a six-week training course is long enough?

Steve McCabe: The short answer is that I do not know—but that is the point. I agree with my hon. Friend that if we are to hear the whole story and get the full picture, we need more than an inquiry and a taskforce report; we need the Government to agree to a systematic follow-up of the Rover workers and their families. Only then will we be able to answer questions about training, relocation, new starts, new businesses and types of training intervention. I would say that that has to be a formal piece of work. My instinct would be to give it to a university equipped to handle such a task.

It will not be satisfactory simply to have an inquiry into what happened and a report on the inputs of the taskforce. If we are serious about it, we will need to know what lessons must be learned. We must follow up those workers—those 6,000 people and their families. We must know where they end up, what happens to them and what interventions are successful. I strongly urge the Minister to give serious consideration to make that part of the total picture of the Rover experience.

11.47 am

John Hemming (Birmingham, Yardley) (LD): Those who have seen "The Rotters' Club" on the television or read the book may understand a little more about my links to MG Rover. Jonathan Coe, the author of the book, which is semi-autobiographical, travelled on the same bus as me to school in my teenage years, and we used to pass the Longbridge plant. The historic importance of Leyland and MG Rover in Birmingham cannot be denied.

My history with the Phoenix consortium goes back to 2000, when I brought it together. The original arrangement was that I would chair the consequent company, but from the first meeting on 31 March 2005, in the offices of Old Mutual—previously Albert E. Sharp—it was clear that John Towers did not want any community or workforce scrutiny on the board, and although there was agreement for the work force to have shares, they ended up disfranchised and the shares were essentially worthless. In April, community scrutiny was pushed out using the argument that BMW would not do the deal if community representatives remained involved. I considered what might be needed to enforce a scrutiny process in 2003; I got no external support, but did receive legal threats from one of the Phoenix Venture Holdings directors.

I have been known not to be positive about John Towers and his leadership of the company for five years. However, it is wrong simply to blame the directors for today's situation. Errors were made, but it took quite a few cooks to spoil this particular broth.

The insolvency caused massive problems in the west midlands, not least because it was unexpected. The deal with Shanghai Automotive Industry Corporation had been running smoothly for some time. It involved a payment of more than £200 million to MG Rover, which would have enabled us to discover the holy grail of a stable and profitable company working as part of an international manufacturing partnership, which is what everyone sought.

Insolvency is a complex aspect of company law. The issue that matters is not whether a company is insolvent on a particular day, but whether the directors believe that it will be able to pay its debts. The important legal issue is wrongful trading; if the directors believe that the company would be wrongfully trading because it could not pay its debts, it should go into some form of insolvency. If they believe that things can come good, however, it can continue trading.

At a board meeting held on 17 December 2004, it was recognised that the company was balance-sheet insolvent, and therefore depended on the SAIC deal being likely to happen in order to continue trading. A letter of intent was signed on 17 December 2004 that specified completion milestones. SAIC had paid £37 million in September 2004 and £30 million on 13th January 2005. There were people from Birmingham who had gone across to China. The deal was going forward. The intellectual property is of no value without the people who know how to do things. One could not do anything in isolation.

This is where the Department of Trade and Industry got involved. Obviously, the company was burning cash, and a bridging loan was needed to handle its position until the Chinese Government could go through the regulatory processes and agree the deal. A due diligence exercise was undertaken by the DTI's accountants and lawyers, and the facility was approved in principle. Loan documentation was prepared and circulated. Within that period, on 28 February 2005, a revised letter of intent was signed by SAIC, Nanjing Automotive, the company and PVH, agreeing to a further cash amount of £201.5 million, which would be paid progressively over a period.

[John Hemming]

On 8 April in Shanghai—which was 7 April in Birmingham—the DTI indicated to the Phoenix directors that they did not think that the conditions they had set for providing the loan would be achieved. Without the loan, the deal with SAIC could not go through. As soon as the deal with SAIC was unlikely to happen, the company was in wrongful trading. That is the key issue: how we got from a position in which a deal would have sorted everything out, to one where it went all wrong.

There were a few very odd things that came from the DTI—and this is where, to an extent, I agree with the hon. Member for Bromsgrove (Miss Kirkbride), although I disagree with her idea that we always knew we would end up here. I very much agree with what the hon. Member for Birmingham, Northfield (Richard Burden) said about there being no no-go areas for the inquiry, and the idea that nationally, MG Rover has been talked down. It was not the case that we always knew that we would be here. It would have been entirely possible for the deal with SAIC to continue. The fact that the interest there remains shows that that was entirely possible.

I now come to the odd behaviour of the Department of Trade and Industry. The first thing was going public about the bridging loan on 1 April. That was a massively sensitive piece of information. It had the effect of undermining credibility in the company, of increasing the working capital requirement by about £50 million, and of leading traders to refuse to trade with the company the following week. That information should not have been made public.

Secondly, the DTI announced that the company was going into administration. It is not up to the DTI to make that sort of decision. It is not up to the DTI Minister to tell the company to go into administration. Ministers may have a view, but they should keep it to themselves. They should not hold a press conference saying that the company is going into administration. It is a decision for the board to take.

Mrs. Spelman: Does the hon. Gentleman agree that the inquiry should find out why the then Secretary of State for Trade and Industry jumped the gun by announcing the company had gone into receivership before the board had made that decision?

John Hemming: Yes, I do.

There are three questions that the DTI needs to answer. Given the very real evidence that the bridging loan had been agreed and documented, what caused the U-turn and its subsequent disastrous results? Second, why did the DTI publicly undermine the credibility of the company, and in effect prevent it from trading? Third, why were DTI Ministers calling for the company to go into administration, and why was an announcement made by the then Secretary of State for Trade and Industry and Tony Woodley that the company was going into administration?

Mr. Jim Cunningham: Does the hon. Gentleman think that it was right and proper for Tony Woodley to be there?

John Hemming: I have a lot of time for Tony Woodley. He has always worked very hard for his members. Whether he should have been there or not, the fact is that the announcement should not have been made by the DTI in the first instance. It was a totally inappropriate public announcement. Tony Woodley, however, has always tried to work as best he can to try to help the business to survive, so I would not wish to criticise him.

Steve McCabe: I am sorry to have to clarify this again, but I am intrigued that the hon. Gentleman's view now appears to be that the DTI made a number of mistakes that undermined the company. Does he accept that on the Lib Dem website, as early as 2003, he was quoted as saying that he had doubts and suspicions about the way in which directors were extracting money and assets from the company? He was looking at the possibility of legal action to remove them from overall control. Are we now to forget his feelings and anxieties of that time? Is not it reasonable to think that the DTI might have shared some of his suspicions?

John Hemming: If the hon. Gentleman had been listening to my speech earlier, he would have heard me mention that. I have always made the point that, putting aside the issue of money having been taken out of the company, the deal in question could have been done. We did not have to end up here. The DTI showed no interest in the governance issues at the time. My concern is about the behaviour of the DTI in undermining the company's trading position, doing a U-turn on the bridging loan, and doing a lot of damage throughout the process.

Mr. Brian Jenkins (Tamworth) (Lab): My difficulty is that I can remember the events unfolding. As far as I recollect, until the time when the Chinese walked out of the room, the bridging loan was in place; the condition of the bridging loan was that the Chinese should sign the agreement. However, it was not just another loan; it was not just more money being pumped into the company. If I believed for a moment that a company whose directors knew it to be insolvent was apparently being given the backing of the Government, with an extra loan, to continue hoodwinking all its suppliers and its workers, I would be seriously concerned. Apparently, they are damned if they do and damned if they do not. Which is it?

John Hemming: The complexity of the law is an important point in that respect. Someone is wrongfully trading if they think that things are going to go wrong. If they think that things will come good, and if they have good evidence for that, they are not wrongfully trading. The point that the hon. Gentleman raised is exactly the one that the inquiry needs to consider. Did SAIC actually pull out of the deal? When I was talking to Tony Woodley after the company went into administration it was clear that it was still talking to SAIC, which was still interested in trying to do a deal and had not lost interest in the commercial side of the business. My understanding is that concerns were raised by the advisers to the DTI about the stability of the residual business, and that that had caused some concerns with SAIC. However, as hon. Members are aware, because we have discussed it today, there were not any problems with the stability of the residual business.

We are talking about an inquiry. I agree with the hon. Member for Birmingham, Northfield that there should not be any no-go areas. We must consider what actually

happened: what switched the business from being solvent to being insolvent—from non-wrongful trading to wrongful trading. That is the critical issue to be determined.

I may be wrong, but my understanding is that a precondition had been established by the DTI that the funds needed to go into an escrow account from SAIC. There were challenges, in that China has a different governmental system, and it is necessary to get authority from the Government to do certain things. We all know that Governments take a little time to handle such things, and that in itself can cause substantial problems. If the DTI says, "You must do this now," and they say, "We can only do it in three weeks' time," there is a problem.

Mr. Jim Cunningham: The hon. Gentleman is jumping from blaming the DTI to blaming someone else, while persuading us that we need an inquiry. There is something that I do not understand: around November, Government officials were in China and discussions were taking place. From then to May it was six or seven months. How long does it take, in such a situation, to know whether the business can or cannot be done? My understanding is that the Chinese were not interested after they found out that there were certain problems with the company. As for the loan that was always available, how long is a piece of string? Why jump in and out of blaming the DTI or others? The hon. Gentleman should confine himself to his original premise. Let us have an inquiry, and cut out all the rumour and innuendo, because I know no better than he does what really happened.

John Hemming: Until the inquiry has taken place, we will not be 100 per cent. certain. There is information from many different sources. It remains true that discussions with SAIC continued after the company had gone into administration. That shows that there were still merits in terms of commercial viability.

Mr. Cunningham: I follow that—but logically, does it not tell people that perhaps, even at that late hour when everything looked impossible, the Government and the other parties involved still wanted to see whether there was another last chance? It seems as if somebody was determined to sort the problem out and get some sort of deal. We can speculate until the cows come home, but until there is a proper inquiry, we will all be playing on hunches and saying all sorts of things, when we have no fundamental basis for doing so.

John Hemming: We can agree on the fact that we need a proper inquiry with no no-go areas. We have no problem with that. I could say much more, but it is probably appropriate that I should finish at this point. I apologise for going on at such length, but I have taken interventions.

Sir John Butterfill (in the Chair): I call the hon. Member for North Norfolk (Norman Lamb).

12.1 pm

Norman Lamb (North Norfolk) (LD): You will not be aware of what has gone on in the debate so far, Sir John, as you have only just taken the Chair, but one issue that must be considered is limiting the length of speeches in these debates, because many people have strong views and it is important that they should have the opportunity to be aired fully.

This has been an important debate and I congratulate the hon. Member for Birmingham, Northfield (Richard Burden) on securing it. He was right to say that there should be no no-go areas in an inquiry, and that the findings must be made public so that we can examine precisely what went wrong. I also accept his view that for those who seek to criticise the Government, there is a danger of speaking with the benefit of hindsight, to dissociate themselves from what went wrong.

I do not know the full truth of what happened, particularly in the period leading up to the acquisition of MG Rover by the Phoenix consortium. We have heard the competing claims of the hon. Members for Birmingham, Northfield and for Bromsgrove (Miss Kirkbride). That is why it is important to have a full inquiry that examines the period and goes right back.

The hon. Member for Birmingham, Hall Green (Steve McCabe) raised legitimate concerns about a period before that which I mentioned. Reference was made to the acquisition by BMW in the first place, and how the Honda association collapsed. Many people saw that as a valuable association that might well have secured the future of MG Rover.

There has been public debate since the tragic collapse of the company. It is worth making the point that as we argue over who is to blame and what went wrong, we ought to focus on the fact that more than 5,500 people lost their jobs, and on the impact not only on them, but on their families and the local economy, which can be devastating. The point made by the hon. Member for Birmingham, Hall Green about the importance of examining whether the retraining is adequate, and whether the structures to support it are in place, is as important as examining the history.

The focus so far has been on the potential culpability of the Phoenix four, whether there was wrongdoing, and the extent to which they may have profited from MG Rover. The contrast between their situation and that of the work force is stark. The Financial Reporting Council raised issues that properly require further investigation. I have no real idea whether anything sinister was involved, because so far the FRC report remains secret. It is important that at some stage, preferably sooner rather than later, it is brought into the open so that we can see what its initial conclusions are.

A former director, Peter Stevens, has weighed in with accusations of naivety, muddle, mismanagement and waste. While it is right to investigate the role of the Phoenix four, there is a danger of heaping all the blame at their door when in reality the fate of Rover may—I stress the word "may"—have been sealed before they acquired the car maker. I fully accept the point made by my hon. Friend the Member for Birmingham, Yardley (John Hemming) that a deal with the Shanghai Automotive Industry Corporation could still have worked as a long-term association. However, many analysts reached the conclusion that the situation for Rover had looked pretty bleak for some time.

We are faced with a large number of inquiries. On top of the FRC inquiry, we have the current inquiry launched by the Secretary of State and the likelihood of

[Norman Lamb]

two Select Committee inquiries. The National Audit Office is also thinking about pursuing an inquiry. If all these inquiries are to be of lasting value, everybody must learn lessons. Centrally, the inquiries must also explore the role of Government.

The strongest charge against the Government was made in *The Economist*, which described Rover as

"a classic victim of industrial policy".

It asserted that pinning the blame on the Phoenix four was missing the real target. The blame, according to the article, lay first with the laws of economics, and secondly,

"on the Government, whose cowardly intervention five years ago damaged the interests of the workers it said it was trying to protect."

That is the charge against the Government. I do not know the full story. Again, that is why an inquiry is so important.

As for the economics, when the company collapsed, the world's car industry had the capacity to produce some 80 million cars and light vehicles a year, but was producing only 60 million a year. That is massive overcapacity. Most of that spare capacity is in Europe and the United States, where costs are higher and sales growth is slower than elsewhere. One could say that inevitably, a medium-sized company like MG Rover was most vulnerable in that harsh economic environment. However, many analysts have concluded that the fate of MG Rover as a volume car maker was sealed a long time ago.

It is important to examine what happened in 2000. As we have heard, at that time there were two competing suitors, Alchemy and Phoenix. That is a crucial period. I have heard and listened carefully to what the hon. Member for Birmingham, Northfield, who was very much involved at that time, has said. It is important to examine and make public exactly what happened between March, when Alchemy was in pole position, and May, when Rover was sold to the Phoenix group.

The Alchemy option, superficially, was hardly attractive. Only 20 per cent. of jobs would have been saved. But was it the only viable option for the long term? I do not know the answer, but that is a question we need to ask if we are to learn lessons from this sad story. Did the Government intervene, as some allege, swapping sides in the face of public protest? Did they favour a bid that saved jobs in the short term, but had no plan or direction to make the company viable in the long term?

What of the role of John Towers? In March 2000 he was appointed to the taskforce established to consider options for the failing company, as BMW was rapidly losing interest. Towers then became the head of the taskforce, proposing a "project Phoenix". By the beginning of April, Towers had stepped down from the DTI task force to head the Phoenix consortium officially. We all know the outcome. Did the Government interfere or intervene in a way that ultimately damaged any long-term prospect of car making in the west midlands? Those are the reasons why, ultimately, we need a full inquiry.

It is worth finishing with a more positive point. Many commentators have talked about the death of the British car industry. In fact, the car industry is healthy. It just happens not to be British owned. A lot of cars are being made in this country, in plants that are remarkably productive. The future, in many respects, is quite bright. We must balance that against the tragedy of this particular story. We all ought to be learning lessons here. We all ought to look at what happened over the years, at whether any of us reached wrong conclusions, and at what lessons can be learned for the future.

12.10 pm

Charles Hendry (Wealden) (Con): I echo the congratulations to the hon. Member for Birmingham, Northfield (Richard Burden) on securing the debate, and on the eloquent and sincere way in which he introduced it. It is a shame that we have to discuss the topic in an Adjournment debate in Westminster Hall, as it should have been the subject of a statement by the Secretary of State soon after the House returned. This was probably the biggest economic and industrial issue affecting the country while Parliament was dissolved for the general election, and it is shocking that the Secretary of State did not come to the Dispatch Box to set out clearly what had happened and give the House a chance to question him on it.

As we have seen from today's debate, there has been a catalogue of mistakes that go back over many years and have resulted in the terrible tragedy that we see before us. Although hon. Members have spoken from different perspectives, what has come across is the fact that they are all speaking with a genuine interest in their constituents—people who were employees of Rover or whose livelihood depended on it—and with a tremendous commitment to their communities.

Above all, the issue is tragic for the work force, who have lost their livelihood and find that their pensions are under threat. As my hon. Friend the Member for Meriden (Mrs. Spelman) said, it is tragic for those who have already retired and now face tremendous insecurity, as they do not know how their pensions will be paid. It is a tragedy, too, for the creditors and dealers, some of whom will be driven out of business. A number have already closed down, and it is likely that others will follow—people who did nothing other than their best to sell Rover cars.

Of course we welcome the rescue package, but we would be grateful if the Minister could clarify whether all the money is new money or whether it has been diverted from other funding packages that were already in place in Birmingham and the west midlands more generally, or elsewhere. I also endorse the call from the hon. Member for North Norfolk (Norman Lamb) that the Financial Reporting Council report should be published. When it was handed over to the Secretary of State, it was made clear that it contained issues that the Department of Trade and Industry would want to address. The House should see exactly what Sir Bryan Nicholson's report concluded, so that we can understand fully what more needs to be assessed.

We welcome the decision to have a full investigation, but the inquiry must also consider the actions of the DTI and to what extent they might have contributed to the closure of Rover. After all, it is only just over a year ago

that the former Secretary of State defended the £31 million bonuses paid to the Phoenix four, in words that bear repeating:

"I am very pleased with Rover's performance. There were very big risks involved in starting up Rover again when it looked as if it would be the end of the road . . . Company directors who take big risks and achieve big successes deserve big rewards."

Would the Minister care to endorse those words today, or has she changed the Department's mind from paying tribute to John Towers and his colleagues in such a fulsome way?

The report needs to consider historically what happened when Phoenix took over. As has been explained today, we want to know the detail of why the Phoenix solution was preferred to Alchemy. We also need to know why the BMW pension fund was not ring-fenced, so that the people who were entitled to expect that they would benefit from it can understand why the money is not available.

The main issue that the investigation should look into is the handling of the situation as it moved towards its final stages. It is my understanding that in the early hours of Tuesday 5 April, directors of MG Rover and solicitors were meeting at Longbridge. When they finished that meeting, they believed that they had an agreement for the £100 million loan. It is also my understanding that the then Secretary of State had cleared time in her diary later that Tuesday to announce formally that the £100 million loan had been agreed. It is also clear that the DTI press office briefed the media earlier in the week that the loan was almost in the bag. The press coverage that resulted from that actually made matters worse: it increased the pressure on the company as more creditors came forward seeking to be paid.

What happened to change the Government's mind on the loan between the early hours of Tuesday 5 April and the Secretary of State's decision later that day to cancel the formal announcement of the loan package? Will the Minister confirm that the Government changed the nature of the loan that they were prepared to provide, and it became a loan for two months rather than six months? Will she confirm that when that was made clear to Shanghai Automotive Industry Corporation, it backed out of the deal because that was not acceptable?

Will the Minister also confirm that at about 9 o'clock on Thursday 7 April, PricewaterhouseCoopers was informed of the likelihood that it would be called in, not as a receiver, but to advise the company on its situation? Will she confirm that just one hour later, the Secretary of State announced on national television that MG Rover had entered administration? In the words of John Duckers, the business editor of *The Birmingham Post*,

"No one is suggesting that MG Rover might have necessarily been saved, but, it is maintained, the Government chose when it was to go down—not the company's chairman, Mr Towers."

What happened during that hour? Which other parties had been informed of the insolvency before the Secretary of State declared it on national television?

Will the Minister publish a report, or even better a transcript, of the discussions that took place that Thursday evening between the Secretary of State, or other DTI Ministers and officials, and senior Rover management? Is not it the case that Mr. Towers told the then Secretary of State, "If the loan is not agreed, we will have to call in the receivers," not, "We are calling in the receivers"? That is a fundamental difference. As the Minister will be aware, the Secretary of State's announcement would in any case have brought about the collapse of Rover, because by Friday morning, the demands from creditors had made receivership inevitable.

Finally, does the Minister understand the cynicism of people such as John Duckers, who believe that it suited the Government's purpose to bring forward the closure of the company so that it happened in the early stages of the election campaign, not in the middle or final stages? To counter those suspicions, will she arrange for the internal documents from the DTI, the Treasury and No. 10 to be made public so that the full process and the timings can be understood?

This is one of the biggest industrial disasters of recent years. Of course, massive responsibility lies in the hands of the directors of Phoenix Venture Holdings, but the Government's hands are not clean either. Nothing less than a full inquiry into the role of the company and Ministers, with all the findings made public, will reassure MG Rover's former employers and its creditors that the Government acted in the company's best interests. I urge the Minister to agree to that demand today.

12.17 pm

The Deputy Minister for Women and Equality (Meg Munn): I congratulate my hon. Friend the Member for Birmingham, Northfield (Richard Burden) on securing this important debate. His work and consistent advocacy on behalf of his constituents and others who have been affected should be commended.

First and most importantly, I want to express my profound sympathy for all those who have been affected. The appointment of administrators to MG Rover on 8 April was a huge blow to the company's employees, their families, the local community and companies that did business with MG Rover. The impact of its failure has been felt up and down the supply chain among suppliers and retailers. It has been felt most deeply in the west midlands, including in my hon. Friend's constituency and the constituencies of other hon. Members present, but it has also spread to other parts of the country.

The shock was all the greater because for most of the employees, the collapse of MG Rover was somewhat unexpected at that point. Although the company's fundamental difficulties were well known, and the DTI had been tracking its fortunes since autumn 2004, the hopes of a deal with the Shanghai Automotive Industry Corporation had been strong until that week. There was no reason to doubt the seriousness of the corporation's intent. Indeed, the Government had made it clear to the corporation and the Chinese Government that we supported a joint venture in principle and were ready to provide a short-term bridging loan.

However, we were prepared to offer that loan only on certain conditions. Those included that we were sure the deal would be done, that the money could not be siphoned off and that the loan would be repaid. The DTI, the shareholder executive and others worked round the clock to see whether a deal could be done to save the company and the jobs that went with it.

[Meg Munn]

The company had been publicly pressing for a loan, and taxpayers' money was involved. The loan would also have had to be declared to the European Commission. There was no prospect of its remaining a secret, nor would that have been right. To respond to some of the questions asked by the hon. Member for Birmingham, Yardley (John Hemming), as the then Secretary of State said, in the end SAIC made it clear that—

John Hemming: Will the hon. Lady give way?

Meg Munn: I am sorry, but I cannot give way; I have many questions to answer, and I fear that I will not get through them all if I do.

In the end SAIC made it clear that it was not confident of the future solvency of MG Rover, so there was no reasonable prospect of a deal. The Government stood ready to issue bridging finance of more than £100 million, but without a deal there was no possibility of a bridging loan, and SAIC indicated that such financing would not have resolved its concerns. It is not correct to say that the period for the loan changed from six months to two. The collapse of the deal led to MG Rover and Powertrain going into administration on 8 April. At that point it was clear that the Chinese would not proceed with the deal as contemplated. It was also clear that the Government would be unable to advance a substantial bridging loan, so the directors of MG Rover were obliged to put the business into administration.

On 7 April the then Secretary of State spoke several times to John Towers—who made it clear that the directors had no option but to put the companies into administration—and she made the statement that evening. The administrators were called in on the morning of 8 April. That was inevitable, and would have happened whether the Secretary of State had made that statement or not. However, the development, unwelcome as it was, presented new possibilities for the sale of the company without the historical liabilities that had been among the key stumbling blocks in the way of the proposed SAIC deal.

Over the weekend of 9 and 10 April, the Government decided to make a loan of £6.5 million to the administrators. That allowed options for the sale of the company as a going concern with an available work force to be pursued for a further week. It was a justified and proportionate decision, taken in the light of the information available at the time about potential purchaser appetite. Sadly, it became clear during that week that a quick deal with certain liabilities excluded would not be forthcoming, and the administrators were forced to make most of the employees redundant. The fate of the assets is still in the hands of the administrators, and it is not for me to speculate how and to whom those assets will now be sold. The Government will be supportive of any proposal presenting a viable economic future for parts of the MG Rover business.

As soon as the fact of administration was known, the Government put into place a contingency plan that we had been developing over the course of several months in case the deal was not done. Some of this was announced by the then Secretary of State on 8 April and some the following week, on 15 April, once it became clear that SAIC would not immediately buy the business as a going concern. In total, the Government allocated £150 million to that support package.

The former Secretary of State also set up the MG Rover taskforce led by Advantage West Midlands. That brought together stakeholders from across the region, including my hon. Friends the Members for Birmingham, Northfield and for West Bromwich, West (Mr. Bailey) and, until he became a DTI Minister, my hon. Friend the Member for Dudley, South (Ian Pearson), as well as the hon. Member for Bromsgrove (Miss Kirkbride), to advise Government and local agencies on how best to respond and deliver the emergency package.

The response was rapid: on Monday 11 April a range of measures was in place. They included the MG Rover Jobcentre Plus hotline; a planned emergency package of support to help workers to find new jobs and develop new skills; a website giving advice and contact details; a package of tailored support for companies in MG Rover's supply chain; a telephone hotline for companies; a meeting at Birmingham chamber of commerce to help with proposals; and a helpline established by Birmingham city council. That work has continued over the succeeding weeks, delivering what the employees are entitled to with great efficiency. For example, the redundancy payments service paid each claim an average of 3.2 days ahead of its target of six weeks.

The way in which the Rover taskforce, Advantage West Midlands, Business Link and so many others responded was nothing short of magnificent. In the first month alone, £1.5 million was paid out to safeguard more than 2,000 jobs in the supply chain, nearly 10,000 calls were taken by the Jobcentre Plus hotline and nearly 5,000 new job vacancy opportunities were offered through the employer hotline. As of 10 June some 5,500 individuals from MG Rover and its suppliers have contacted Jobcentre Plus. Some 649 of those individuals have been placed in jobs by Jobcentre Plus, and others may have found work independently. Some 2,510 have training plans, and 2,219 of those have been booked on courses. Some 461 have started training.

In response to the question asked by the hon. Member for Bromsgrove, I should say that up to £50 million is available for training for workers made redundant at MG Rover and its suppliers. Money is not an issue with training places, although I understand that there is some difficulty about the availability of training staff, which needs to be followed through. For training, some £5 million, drawn from forecast underspend in 2005–06, has come from the DTI, £5 million has come from the Department for Work and Pensions, £10 million has come from the European Social Fund, and priority access to the existing £25 million has come from the employer training pilots in the west midlands and nationally. I hope that that goes some way towards answering the question asked by the hon. Member for Wealden (Charles Hendry).

HM Revenue and Customs has spoken to more than 400 companies to discuss deferring VAT, national insurance and PAYE. Almost 50 deferrals have been agreed, amounting to more than £4.7 million, and more than 2,900 employees from 154 supply chain companies have benefited from the wage replacement fund.

A transition loan fund has been set up and is operating. The fund is for companies that have been damaged significantly by the collapse of MG Rover, but have a viable business plan that needs additional finance in the short to medium term to enable them to respond to the traumatic event.

My hon. Friend the Member for Birmingham, Northfield asked about tracking the impact of training. I agree that it is vital to track that impact, which is why we have asked the MG Rover taskforce to report after six months on the lessons learnt and make recommendations to the Government. I listened to the proposal advanced by my hon. Friend the Member for Birmingham, Hall Green (Steve McCabe), and am sure that the DTI will consider the issue further.

My hon. Friend the Member for Birmingham, Northfield expressed several concerns today, the first of which related to benefits and the 16-hour rule as a disincentive to train. He will know that this is an issue primarily for the Department for Work and Pensions, but I can tell him that financial support is available, through the allowance payment system, to jobseekers who need to access specific training provision to help them to return to work. Allowance payments can be made to people accessing work-focused provision through Jobcentre Plus and its partner organisations. Former MG Rover workers who have been referred to work-focused provision are currently being supported in that way.

Our preliminary analysis of redundancy pay in lieu of notice in insolvency cases is that very few workers will receive less than the statutory £280 a week as payment in lieu of notice, despite the statutory need to mitigate damages.

The Pension Protection Fund will protect members of defined benefit schemes by paying compensation if their employer becomes insolvent and the pension scheme is underfunded. We are very aware that this is a worrying time for Rover workers, but pensioners are currently receiving their pensions in full, and we believe that it remains a question of when, not whether, a PPF assessment period will start. That is the start of the PPF's formal involvement in the scheme. At the moment, the Rover scheme has not yet entered an assessment period because one of the participating employers is still solvent.

In the final minute available to me, I shall discuss the issues of the investigation. On 31 May 2005, the current Secretary of State for Trade and Industry appointed inspectors to investigate and report on the affairs of the MG Rover group, including Phoenix Venture Holdings and MGR Capital Ltd. The public interest requires that the issues raised by the financial reporting review panel and by developments after 2003 when the last accounts were published be investigated by independent inspectors.

The Secretary of State has asked that the inspectors report as quickly as possible, in a form that will enable the report to be made public. The inspectors will decide what is relevant to investigate, and the DTI will co-operate fully with the inspectors.

RAF Coltishall

12.30 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I welcome this opportunity to debate this important subject, which has an immediate impact on my constituents and those of the hon. Member for North Norfolk (Norman Lamb), as well as a broader impact across the whole of Norfolk.

I congratulate the Minister on his new appointment. He has moved from the Principality of Wales to the principality of defence. I wish him well with his new responsibilities.

Norfolk has been living with the prospect of the closure of RAF Coltishall since 1998, when it emerged that it was likely that the Jaguar aircraft deployed there would be withdrawn within a decade. Therefore, the formal announcement in July last year, as part of the defence White Paper, that by December 2006 all RAF operations would cease at Coltishall and that the RAF would have no further use for the base did not come as a complete surprise to me or my constituents.

Nevertheless, there was a lot of local anxiety about the future, as the local catchment area that is affected covers a wide area of north and mid-Norfolk where there are scattered communities and areas of local economic and social deprivation. The closure has an immediate impact on villages within my constituency such as Horstead, Wroxham, Buxton, as well as Coltishall itself. It also has an impact on a town the size of Aylsham, and it has a similar impact in north Norfolk.

On 1 November 2004, an RAF Coltishall task group was established, led by Norfolk county council. Its membership included myself and the hon. Member for North Norfolk, representatives of parish councils, North Norfolk district council and Broadland district council, RAF Coltishall, Defence Estates, Business Link, the East of England Development Agency and others. The short-term issue was to address immediately problems of redundancy and economic loss of income by local communities. The medium-term strategy, as identified by the task group, was to establish whether the Ministry of Defence or any other Department might have a use for the base and to prepare for the eventuality of RAF Coltishall being declared surplus to all Government requirements.

Since 1 November, the task group has met regularly and has taken forward a number of practical issues such as a comprehensive study prepared under the auspices of Norfolk county council and EEDA, which provided factual information about the immediate impact of the closure of both RAF Coltishall and RAF Neatishead. I wish to emphasise that RAF Neatishead is in the constituency of the hon. Member for North Norfolk, and that its closure, along with that of RAF Coltishall, delivers, to a certain extent, a double whammy to the local economy.

Much good work has been done, and I wish to put on record my appreciation of the contributions made by Squadron Leader Paul Robins, the project officer at RAF Coltishall, who has been as open and constructive as possible from the perspective of RAF Coltishall, and Mr. Barry Sygrove, the area manager east of Defence Estates, who also brings a lot of practical experience to the issues that we have been addressing.

[Mr. Keith Simpson]

There are many specific questions to address, such as environmental degradation of the base, the future of the married quarters, and what residual RAF use might continue after December 2006. The key question for the local community and the task group was whether the Ministry of Defence or any other Department might have a further use for the base. At the first meeting of our task group in November 2004, we were informed that the MOD had yet to declare the base surplus to its requirements, but that a decision on other possible military uses would be made by April 2005. If no MOD requirement were found, other Departments would be consulted through English Partnerships. Only after the exercise carried out within the MOD and other Departments drew a blank would the base be declared surplus to requirements. In November 2004, it was thought that the whole exercise would be completed by April 2005, giving a period of 18 months between potentially being declared surplus and disposal. That is key for consideration of planning uses other than those by a Department. The Minister will appreciate that although the task group has had to conduct a lot of forward thinking and planning on the assumption that the base would be surplus to all Government requirements, the lack of a clear decision has inhibited the work and creates uncertainty in the local communities most affected.

I appreciate that, from March onwards, the expected decision by the MOD was postponed because of the general election. However, I was somewhat disappointed by the reply that I received from the Minister to a letter that I wrote on 23 May seeking clarification about the MOD's possible further requirements for RAF Coltishall. I learned that I had achieved this debate last Wednesday and, lo and behold, on Thursday I received a reply from the Minister. I am sure that hon. Members will see that purely as a coincidence, but who says that parliamentary debate and pressure do not achieve at least some results? He wrote:

"I can confirm that this Department has not yet reached a decision as to whether there is any alternative defence use for the site. Indeed, we intend that the simulator at Coltishall will remain on the site until the Jaguar goes out of service. It is possible that some of the living accommodation may be used after 2006. I understand that in order to progress further you would wish to know the outcome of our studies. We do not expect to complete our investigations before the autumn of 2005."

Even keeping to that decision, the timing will have slipped by six months. Can the Minister say whether autumn means September or December? If it is the back end of December, that means that we have only about one year before most of the RAF functions cease at Coltishall. If the MOD has no further use but other Departments are to be trawled, could that mean that a final Government decision might slip further into 2006? I know that the Minister may not have control over responses from other Departments, but clarification would be welcome.

Such points are not legalistic debating points. They have a real impact on the contingency planning being carried out by the RAF Coltishall task group, which is spending EEDA money and Norfolk county council money, as well as MOD money, and they affect the morale of local communities, which feel that a lot of time has passed without a big decision being made.

The local community overwhelmingly supports the RAF presence at Coltishall. Many people are sad that the RAF is leaving Coltishall and they are aware that that presence goes back to the late 1930s. RAF Coltishall is the last battle of Britain RAF base still in use operationally and there is a lot of local good feeling. I recognise the fact that some local people will welcome the end of flying, but the majority, even those directly affected, are sad to see the RAF going and appreciate the work that it did in maintaining our freedom, not only during the second world war but in the long watch of the cold war. Many RAF personnel have decided that they will live in our community when they leave the services and have married local people. There is a strong link.

As far as I can ascertain from talking to local people, there would be a positive reaction if an alternative MOD requirement were found for the future of RAF Coltishall. A similar thing happened at what had been RAF Swanton Morley in my constituency nearly a decade ago. The RAF had no further use, but the Army found that it had a requirement and moved in an armoured regiment. That has worked well in terms of community relationships and the impact on the local economy. The Minister will not be surprised to hear that, even if local communities cannot agree on possible alternatives, they are certain that they do not want RAF Coltishall to be an asylum centre.

The Minister should be aware that the closure of RAF Coltishall is the equivalent of the loss of a steelworks or a car factory in terms of the impact on the local economy and jobs. A recent provisional report by EEDA and Norfolk county council on the effect on the local economy suggests that it would be in the region of £19 million per annum and 400 jobs. That is a major impact for an area such as mid and north Norfolk. I recognise that the Ministry of Defence is not just a job creator and economic bolster for the area, but the Minister should bear that impact in mind.

The MOD owes the local community of mid and north Norfolk and must get the decision right from the point of view of local people. Also, RAF Coltishall is one of the first two RAF bases flagged up for closure in what I suspect will be a continuing round of closures of other MOD bases rolled out over the next two or three years. Is it not in the MOD's interests to get it right in this case so that, when other bases are closed, Ministers can turn to people worried in other parts of the United Kingdom and say, "Look what happened with RAF Coltishall. We got it right. You can go and talk to the local MPs and representatives and they are relatively happy"? The alternative would not be a good precedent.

Finally, local people are apprehensive that, if the MOD ceases RAF use of Coltishall but there is an administrative hiatus before disposal, the site will deteriorate and the married quarters might be vandalised. Will the Minister assure me that that will not happen and that effective measures will be taken to secure RAF Coltishall against the kind of vandalism that has taken place at other former RAF and Army sites?

12.42 pm

Norman Lamb (North Norfolk) (LD): May I first congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing this debate and also thank him for allowing me time to contribute to it? We were both members of the task group and took the view that it is important that everyone works together for the interests of this part of north-east Norfolk. The RAF Coltishall base straddles the border between our two constituencies, so we both have a central interest in the outcome of the considerations.

May I also join the hon. Gentleman in expressing sadness at the closure of RAF Coltishall? It seems that the RAF is unlikely to have a continuing use for the base, which has been part of the country's post-war history. I should also mention RAF Neatishead in my constituency, which the hon. Gentleman mentioned and which is also being scaled down. That base played a central role during the post-war and cold war periods in safeguarding the interests of this country and western Europe.

The first concern that I and others have is the impact on the local economy. As the hon. Gentleman already mentioned, some 400 jobs will be lost. It is a low-wage economy with poor communications, so the impact of the loss of that number of jobs will be significant. It has already been estimated that the total impact on the local economy will be £19 million to £20 million.

It is also important to stress the risk of inertia and indecision. I have frequently made the comparison with what happened at RAF West Raynham, where the base was closed some four years ago and was allowed to fall into dereliction with no decision made for a decade. That had a real impact not only on the local economy, but on local communities. Thankfully, the properties at RAF West Raynham have been released and we can, I hope, get them back into use.

When I met the Minister responsible for the armed forces to talk about the scaling down of RAF Neatishead, he insisted that lessons had been learned from West Raynham and other places and that the Ministry of Defence was determined to be a good neighbour. That is important. Defence Estates has played a very constructive role in relation to the taskforce, attending all the meetings and offering to contribute to the cost of planning analysis of what the site could be used for and so on, but it is important that decisions are made on a timely basis and that we do not have drift and, ultimately, decay.

We have been advised throughout to work on the basis that it is unlikely that there will be another military or Government use, so the taskforce has gone about its work on that basis. However, there are now strong rumours of a potential Army use. A constituent has just told me about this. The suggestion made to me, which I am told is from an impeccable source, is that there is a plan for a super-garrison based at Colchester but with self-supporting satellite units, including Coltishall. The appeal of Coltishall is said to be that it is located on the east coast, has a large amount of land available, provides good accommodation and has an airstrip.

Is there any truth in that rumour? If so, how many personnel could be involved and what are the time scales for decision? As the hon. Member for Mid-Norfolk said, autumn is a vague concept. I should mention that I have a remarkably similarly worded letter to his. It arrived last week, just after we discovered that he had secured the debate. What is the likely time scale for making decisions? I think that the local community would welcome that alternative military use. It would have a very beneficial impact on the local economy if we did not lose the number of personnel who currently work on the site. Will the Minister provide clarity? Above all else, drift and delay are what must be avoided for the benefit of this part of north-east Norfolk.

12.47 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): I thank the hon. Member for Mid-Norfolk (Mr. Simpson) for his kind comments about my appointment to the Ministry of Defence. It is a challenging job. I know that the hon. Member for Aldershot (Mr. Howarth) thinks that it is one of the best jobs in the Government. I certainly intend to make it one of the best jobs. It is very people-focused, and the issues that hon. Members have raised today are about the effect that our decisions have on people.

I congratulate the hon. Member for Mid-Norfolk on securing the debate. As far as I am aware, there was no connection between his securing the debate and my letters arriving, but it is an opportune debate, because the closure and reuse of defence sites is an important subject and worthy of discussion. He and the hon. Member for North Norfolk (Norman Lamb) have taken a keen and consistent interest in the future of RAF Coltishall. I thank the hon. Member for Mid-Norfolk for his kind comments about the personnel who have been working, through the task group, to secure a decision on its future.

I am grateful that both hon. Gentlemen gave me notice of the points that they wanted to raise, and I hope that I can respond constructively to them. This is my first opportunity since becoming a Minister in the Ministry of Defence to take part in a debate on the defence estate. The debate surrounding the rationalisation of our estate and the disposal of sites that have become surplus is important. Before I turn to specific points about Coltishall, I shall make one or two general points.

First, we do not take decisions on the closure of sites lightly. The decision-making process is complex and lengthy. It involves the consideration of many options and requires a good deal of consultation. It is, however, something that we have to go through if we are to attain our goal of achieving an estate that is of the right size and fit for the demands of today. We must take account of the better quality of life and better working conditions for servicemen and women and others in the Department, and we seek to ensure that we obtain the best value for money from the estate. Secondly, we have a good story to tell about bringing surplus defence sites back into renewed economic use, whether for employment or residential use, as quickly as possible.

I am grateful for the opportunity that the debate affords me to pay tribute to the work of the personnel at RAF Coltishall. As the hon. Member for Mid-Norfolk said, the base has a long and illustrious history. It was built in 1939 for Bomber Command and, while it was being used by Fighter Command, an aircraft from the base claimed the first enemy aircraft to be shot down during the battle of Britain on 10 July 1940.

[Mr. Don Touhig]

Until March this year, RAF Coltishall was the home of four Jaguar squadrons, at which point two were disbanded. Of the remaining two, 41 Squadron will be disbanded by 1 April 2006. At the same time, 6 Squadron, the last remaining, will move to RAF Coningsby. The airfield at RAF Coltishall will close later that year, although, as the hon. Member for Mid-Norfolk knows, the simulator will remain until the Jaguar goes out of service in 2007. It is also possible that some of the living accommodation on the site may be used after 2006.

It is against that background that we need to ascertain whether the site can be put to alternative defence use. Consideration is being given to potential reuse by the Royal Air Force, within the context of our long-term service estate plans. However, if no such defence use emerges, the site will be disposed of. The hon. Member for North Norfolk mentioned a strong rumour that the Army would be interested in taking over the base or that it is seeking to do so. I can say only that I am not aware of any formal proposal that would lead me to believe that that is the case, but, as I have made clear, we are in discussions throughout the Ministry of Defence about future use of the base for defence needs.

Norman Lamb: Is it not right that the Minister should be aware of the issue of potential Army use and that it is being discussed? The proposal may not be formal, but I think that he is aware that something is being discussed.

Mr. Touhig: I am not aware of anything being discussed, but if a requirement were to be demonstrated, it would form part of the consultation in the Department.

Mr. Simpson: Will the Minister just go back a little? Did I hear him say that Ministry of Defence discussions include the possibility that the site might have another use by the Royal Air Force? Did I hear him correctly?

Mr. Touhig: The hon. Gentleman certainly heard me correctly, but I should clarify the position. What I should have said is that consideration is being given to potential reuse of the RAF base at Coltishall—not use by the RAF. I beg his pardon and am grateful that he pointed that out.

On current views, we expect a final decision around autumn this year. I regret that I cannot be precise about the date, but current expectations are that it will be earlier rather than later. Knowing the concern and interest of the hon. Gentlemen, and because I also particularly want to bring the matters to an early conclusion, I shall press for that to happen as quickly as possible. I shall undertake to keep both hon. Gentlemen fully informed.

Norman Lamb: We had been told, on the task group, that a decision was likely to be announced at Easter. We are now told that it will be announced in the autumn. Is there a particular reason for the delay?

Mr. Touhig: I understand how frustrating it can be for the hon. Gentlemen and the communities that they represent that the site appears to be caught in limbo for the present. That creates uncertainty in the community. However, I hope that the hon. Gentlemen and their constituents will understand that several factors must be taken into account, and that it would make no sense financially, or in management terms, to sell the base only to have to acquire another to meet future requirements.

I am aware that the long hiatus that occurred in deciding whether the site at West Raynham, which the hon. Member for North Norfolk mentioned, would be retained or disposed of was a real problem. West Raynham was potentially suitable for several alternative defence uses, and the issues involved were complex. That case was exceptional, I believe, and lessons were learned. I assure the hon. Gentleman that we shall make every effort to ensure that RAF Coltishall does not languish in the same way.

Housing was an issue at West Raynham. As the hon. Gentleman will recall from his attendance at task group meetings, the housing at RAF Coltishall is subject to the Annington Homes long lease agreement. Consequently, it will be for Annington Homes to decide on the future use of the housing should the MOD declare the site to be surplus. Of course, if further defence use of the site is identified, housing may be required.

I note the concerns over site security and vandalism if the site is vacated. The best way to avoid damage is to pass the site to a new owner as quickly as possible. We find that if there is a hiatus, temporary lettings of buildings on site can be an effective deterrent to vandals, but our usual practice is to employ civilian guards to patrol the site. That would be likely at Coltishall.

It is to avoid delay, should the site eventually be put up for sale, that we are progressing consideration of alternative defence uses and initial preparations for disposal in parallel. Since October 2004, the MOD has been fully engaged with the task group attended by principal stakeholders, which will seek to mitigate or minimise the impact of the proposed closure. I am aware of the recent report that suggested that there would be a £20 million loss to the local economy if the base were closed.

The hon. Members for Mid-Norfolk and for North Norfolk are members of the task group, as are representatives of the county and district councils and the East of England Development Agency. The task group has openly discussed potential future uses of the site should it be declared to be surplus. That is an excellent demonstration of the proper approach to consultation and partnership so that everyone is involved in the decision making.

On 18 February, the group agreed that North Norfolk district council would draw up terms and specifications for a planning document covering the whole site. That will ensure that the planning potential of the site is fully known should it be declared to be surplus. I take this opportunity to urge the planning authorities to be as innovative and flexible as possible in considering alternative uses for the site. We also need to ensure that decisions are made as quickly as possible if the site is not to be left unused for a period, and deteriorate.

It may be helpful if I explain what will happen should Coltishall be declared surplus, and how we will progress with its disposal. The hon. Member for Mid-Norfolk

asked if we had ascertained whether any other Department had an interest in the site. The answer is, simply, not yet, but should the site be confirmed as surplus to our requirements, it will be included in the English Partnerships register of surplus public sector land for 40 working days.

Mr. Simpson: Will the Minister tell us about timing? The MOD will reach its conclusions, then other Departments will be trawled, so might we not have a final decision until 2006?

Mr. Touhig: I hope that we will progress as speedily as possible, but I cannot give an undertaking regarding the time frame. I reiterate that the land available will be on the register for 40 days to see whether any other Departments have a particular interest. The MOD has a close working relationship with English Partnerships, which has been hugely beneficial and important in ensuring that brownfield and other sites that are suitable for affordable housing developments are identified and used.

I return to the disposal process that we are likely to use. If RAF Coltishall is declared to be surplus, we will consider, as we are required to, whether the land has to be returned to its former owners or their successors under the Crichel Down rules. At this stage, we do not know whether we will be required to offer it back. If there is no wider Government interest and former owner rules do not apply, the site will be disposed of on the open market.

To draw the threads of the debate together, I should say that the closure and disposal of the site is a complex process, and that we need to balance possible defence requirements with the wish to get the site back into productive alternative use as quickly as possible. That is what we will try to achieve at RAF Coltishall.

I appreciate that there is a degree of uncertainty in the community, which I hope my remarks have gone some way towards allaying. If the hon. Gentlemen will work closely with me, we will do the best that we possibly can, with the task group, to ensure that if the site is declared to be surplus, it gets back into productive use to the benefit of the people whom they represent.

Climate Change (G8)

1 pm

Colin Challen (Morley and Rothwell) (Lab): I am grateful for this opportunity to raise some of my concerns about the possible outcomes of the G8 summit in relation to climate change. First, I must welcome my hon. Friend the Member for South Dorset (Jim Knight) to his new appointment as Under-Secretary of State for Environment, Food and Rural Affairs. I hope that he will bring fresh impetus and wisdom to our thinking on the subject. I am sure that he will. I must also ask him to do his best to ensure that the whole House has a chance to debate this crucial subject at the earliest opportunity in Government time.

I will start with my conclusion. The Government should commit themselves to conducting a serious and impartial study of the climate change model known as contraction and convergence—C and C. In its barest outline, C and C proposes that we should reduce our carbon emissions. That bit is relatively uncontroversial, at least outside the White House. C and C, rather more controversially, says that, over the next 45 years, we should reduce our emissions to the point at which they are not only sustainable, but at which no humans may accumulate for themselves more carbon emitting rights than any other. It is a simple concept, but it is supported by serious analysis. Much detailed work has been carried out on it by the Global Commons Institute.

It appears that, in Government circles, there is much scepticism and confusion about C and C, even though there is also some support. The Government have rightly done what they could to dispel the myth that there remain any credible doubts in the scientific community about human-originated climate change. We now have a better understanding of the processes involved and the likely outcomes if we do nothing to change our ways. There is almost total unanimity on that. But remember how long it took to get to that position. If we allow ourselves the same time to develop a solution as we took to grasp that there was a problem, the solution will come too late.

C and C is a full-term solution, and is the only one on the table that addresses the whole time scale to 2050. C and C and the discrete measures that we are already adopting, such as cap and trade schemes, renewables or environmental taxation, are not mutually exclusive. But C and C provides the benchmark against which those policies can be tested. We know from recent figures that our policies are not delivering the desired net reductions in carbon emissions. We need to be more scientific in our approach, and far more determined. We need an overarching framework in which to operate, not only so that we can test our policies against it, but because it will provide long-term certainty to all those who are required to invest in future systems—be they in carbon trading or technology.

Only last week two dozen leading British industrialists called for a 30-year period of certainty in policy. We are not offering them that at the present. These industrialists are known as the G8 climate change round table, which was convened only a week or so ago by the World Economic Forum. They said:

"The current 'patchwork' scheme of regulatory, financial, and technology incentives that has evolved in various parts of the world is not conducive to a cost-effective and efficient approach to the problem of climate change."

[Colin Challen]

That is what we need. Our policies at the moment—that patchwork quilt—are not giving off the right signals about our long-term policies on climate change. At a recent conference in Bonn, called to prepare for the United Nations conference of the parties meeting later this year, a senior civil servant at the Department for Environment, Food and Rural Affairs was quoted as saying that

"even trading may not be the way forward."

I find that rather incredible. If true, it would certainly be a significant shift in policy.

Many who are investing in renewable technologies are anxiously waiting to see whether the Government will go down the nuclear route. As in the past, such a move would inevitably soak up huge amounts of public funds. As we saw in the general election, climate change was not an issue, hardly being raised by the Government, let alone by the Opposition. Indeed, our climate change manifesto was launched as part of the rural manifesto launch. This is a sad commentary, especially when the Prime Minister has done so much to make this issue one of his top priorities at the G8.

There are times when it feels like the whole G8 agenda is too big, even with only two items on it. It has become clear that climate change is being shunted to one side because of a lack of clarity in our response to the science. I also recognise the obstacle represented by the United States President, but he is increasingly isolated, even in his own country, despite his dissembling friends in ExxonMobil. I commend the initiatives that are now taking place all over the United States, from the Chicago climate exchange to the mayor of Seattle's climate protection agreement, which has been signed by scores of city mayors across the United States, representing perhaps 130 million people.

Those involved do not feel that they have to wait for President Bush, and nor should we. Indeed, if we had, we would not have Kyoto. We must not enter the post-Kyoto negotiations seeking to appease Bush. I realise that without him, no agreement would be as effective as it should be, but if we please him, we will have an agreement that is of little value to anyone.

C and C has acquired much support, and the Secretary of State understated the case in telling Aubrey Meyer, the director of the Global Commons Institute, that C and C was merely "currently fashionable". In 2003, the secretariat of the UN climate change convention said:

"Achieving the goal of the UN Climate Treaty inevitably requires contraction and convergence."

In 2000, our own royal commission on environmental pollution said that it supported C and C. In 1997, at Kyoto, the Africa group tabled a C and C amendment. Even the American delegation said that C and C

"are elements for the future, perhaps for a next agreement that we may ultimately all seek to engage in."

Indeed, the Byrd-Hagel resolution of the United States Senate, which is often cited as an example of American hostility to climate change agreements per se, actually opposes only climate change treaties that exclude developing countries. Of course, the American Administration have changed since Kyoto, but they will change again, and we must not wait to make progress on these ideas.

I fear that the Government's approach to renewables technology—saying, "We do not choose winners. Let the markets decide"—also applies to overall climate change policy and that they want to wait and see what consensus emerges. Of course, it would be highly desirable to obtain consensus, but all markets have leaders, and the good start that we made in setting the G8 agenda is in danger of being frittered away.

Let us take a closer look at where the Americans are coming from. Bush wants to reduce the carbon intensity of the American economy, but that could easily be explained as much by a fear of weakening security of energy supplies as by a fear of climate change; indeed, it is probably the former. As such, the policy does not guarantee a net reduction in carbon emissions. That is identical to our own experience over recent years. We may have seen a reduction in carbon intensity—in transport, for example—but the growth in the economy has outweighed it. That is not a good result, no matter how much the Department for Transport would like us to think otherwise.

Such a policy is also dangerous because it encourages some industries—aviation is the worst—to believe that Governments should accept that improvements in their energy efficiency must lead to the grandfathering of emissions rights into the foreseeable future. They want future growth to be built into negotiations, not negotiated away. If they succeed, we might as well stop discussing doing something about climate change in our homes and offices. There are not enough energy-saving light bulbs in the world to compensate for the extra flights Ryanair alone would like us to take in one month.

George Bush is at least putting some money where his mouth is, and the US is committed to spending a lot on new technologies. In the UK, the Council for Science and Technology, which was appointed by the Prime Minister and co-chaired by the Government's chief scientific adviser, published a little-noticed report entitled "An Electricity Supply Strategy for the UK", illustrating the parlous state of our investment in energy technologies. It shows that Government investment in energy research, development and demonstration—RD and D—has dropped to just 5 per cent. of what it was in 1974, down from the equivalent of $1 billion annually then to just over $50 million annually now. According to the report, we spend about 10 per cent. of what France spends and 20 per cent. of what Germany spends.

Our privatised industries' performance is equally poor: measured as a percentage of sales, spending on RD and D is half that of American companies. In its report, the council says that Government spending on RD and D is highly fragmented. That is not a rosy picture, and it urgently needs addressing, because without a strong RD and D base, the optimism surrounding new technologies such as hydrogen will be misplaced. The report also shows that we have no choice but to make reductions in energy use a more radical feature of policy than it is. There is no alternative, and the promise of business as usual on the back of technological innovation is wishful thinking. However, that does not lead me to one of the council report's conclusions, which was that nuclear power offers a way

out. The dangers of nuclear power have not gone away, but the real danger of hitching up again with that hugely expensive beast is that it will drain resources away from other technologies that offer a cleaner long-term future.

Back in 1974, when we spent so much on research and development, more than three quarters of it went on nuclear power. If we had spent similar sums on renewables, we would be in a far better position. Are we condemned to make the same mistake again? A very powerful lobby would wish that on us, and points to nuclear power's "renaissance" in China, Finland and elsewhere. Although it uses the word "renaissance", I think that "proliferation" is more appropriate, as it implies a more significant meaning.

I recognise that the Government are in a bind. It would take a courageous or, some might say, suicidal politician to tell his or her electorate that their lifestyle was unsustainable. However, we are moving swiftly towards that unpalatable truth and people are beginning to understand why the future cannot be an ever-expanding balloon of economic growth without consequences. I have deep reservations about the Department for Transport's predict-and-provide approach to aviation, but nevertheless its radical thinking on tackling congestion is emerging, although that is not yet about climate change. If it were, the question would not be about whether we should have to pay more for driving our cars at certain times of the day, but about how we could use our cars less.

In the run-up to the G8 summit, we are sending out too many mixed signals. We do not have a single, straight, honest and powerful message that is both practical and conceptually coherent. Unless we adopt a firmer approach, we shall find ourselves firefighting on more and more fronts, to be engulfed—forgive the mixed metaphor—not by fire, but by the sea.

I repeat my conclusion. C and C provides the framework necessary to construct our climate change policies; it provides the discipline that we lack. It is not only environmentally indispensable, but socially just. Nobody on this earth has a greater right to pollute than anyone else. No rich nation has the right to purloin the atmosphere of the poorest nations and then, as is exemplified by our approach to tackling poverty, tell them that we will give them our charity or release them from their debt to us.

Let the Archbishop of Canterbury have the final word. He said that contraction and convergence

"appears utopian only if we refuse to contemplate the alternatives honestly."

1.12 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): I congratulate my hon. Friend the Member for Morley and Rothwell (Colin Challen) on securing this debate on climate change and the G8. Like me, he was elected in 2001; since then, he has established an excellent reputation as a passionate campaigner on such issues. His work on the Environmental Audit Committee and elsewhere in Parliament adds real value to our debates. I thank him for his leadership on such vital matters. Similarly, the UK's leadership on international climate change is respected and welcomed all over the world by those committed to tackling that issue; no country has done more in recent years to make it an issue for Heads of State, and we shall continue to do so during our EU presidency and presidency of the G8.

Action must be taken in conjunction with our international partners, but if the UK is to influence others successfully, we must first demonstrate that we have taken action at home. Since 1997, we have established the target of 10 per cent. renewable energy by 2010; placed an obligation on energy suppliers to supply an increasing proportion of energy from renewables; introduced the climate change levy; established the Carbon Trust to work with businesses on reducing energy use; and established the first greenhouse gas trading scheme in the world and one of the toughest trading caps in the new European Union regime.

We have also overturned the whole basis of company car fleet taxation, shifting it towards low-carbon emissions, and lowered vehicle excise duty for low-carbon vehicles. I can tell my hon. Friend that we are pushing for aviation to be included in future in the EU emissions trading scheme and that, just today, the Department of Trade and Industry launched a carbon abatement technology strategy, which I am sure he will find interesting.

The UK has shown that tackling climate change by reducing greenhouse gas emissions can be achieved without damaging economic competitiveness or living standards. The UK has reduced greenhouse gas emissions by 12.5 per cent. since 1990; during the same period the UK economy has grown by more than 36 per cent. We are one of only two EU countries on track to meet the target of cutting 1990 greenhouse emissions by 8 per cent. before 2010. As has been mentioned, we have more work to do to meet the domestic target of a 20 per cent. reduction in carbon dioxide because CO_2 reductions are less than greenhouse gas reductions as a whole and because 20 per cent. is a tougher target.

The climate change programme review will report later this year. We will make some announcements on that shortly and advise on those measures required for the UK to achieve the 2010 target. We cannot tackle climate change unilaterally. As the Minister with responsibility for biodiversity, I noted with concern the report today from the Royal Horticultural Society conference—it has taken a lead by organising the event—on the effect of climate change on trees and forests in this country. Clearly, we cannot do anything on our own to tackle that loss to the enjoyment that we all take from our gardens, recreation areas and rural areas.

As we know, the Prime Minister has made tackling climate change a central theme of the UK's G8 presidency this year. The Government's primary objective is to raise the profile of climate change as a matter deserving the urgent attention of Heads of Government in the G8 and outside, so as to promote an international consensus on the need for further action to control emissions.

We have also set ourselves more detailed but no less ambitious objectives. The first is to set out a clear direction of travel to deal with climate change, based on the science. The second is to agree a package of practical measures focusing on technologies that have significantly lower greenhouse gas emissions than traditional technologies. The third is to work in

[Jim Knight]

partnership with the major emerging economies to reach a new consensus on how we deal with the challenge in the future.

Our detailed proposals have been developed during the year. On science, they have been developed to reflect the outcome of a science conference hosted by the UK in February. Scientists from more than 30 different countries considered how to stabilise greenhouse gas emissions. They considered what level of greenhouse gases in the atmosphere would be self-evidently too much and what options we have to avoid such levels. They concluded that there was greater clarity and less uncertainty about the impacts of climate change across a wide range of systems, sectors and societies. In many cases, the risks identified were also more serious than previously thought. We are making progress in understanding the science.

On 7 June, the science academies of all the G8 nations plus those of Brazil, China and India signed a joint statement. It states:

"The scientific understanding of climate change is now sufficiently clear to justify nations taking prompt action".

When independent scientists speak with such clarity, it behoves politicians to listen. The science academies called on G8 nations to

"identify cost-effective steps that can be taken now to contribute to substantial and long-term reduction in net global greenhouse gas emissions".

To further our aim of developing a package of practical measures, we are working on a possible technology package to be agreed at Gleneagles. Specific proposals are being prepared in collaboration with our G8 partners on cleaning up fossil fuels and improving energy performance. The G8 has already agreed, under the Evian action plan on science and technology for sustainable development, to accelerate the research, development and diffusion of energy technologies. We are hopeful that the G8 can agree on turning the political agreement that we already have from the Evian summit into concrete action.

To address our third aim of working in partnership with emerging economies, we are engaging with a number of developing countries on mitigation and adaptation. The share of global greenhouse gas emissions from developing countries is set to rise significantly. As countries develop, it will be important that they are able to meet their growing energy needs sustainably. There is a role for G8 countries and international financial institutions to work with those economies to enable them to achieve a low-carbon future. Greater clean coal technology, energy efficiency, and renewable energy within the emerging economies should be supported through a combination of capacity building, technical assistance and additional finance. Therefore, we have invited the Heads of Government of Brazil, China, India, Mexico and South Africa to the summit in Gleneagles, where they will have extensive discussions with their G8 counterparts on climate change issues.

It is also important that the G8 and the major emerging economies discuss the impacts of climate change per se. It is widely accepted that some degree of climate change is now unavoidable, due to historic and current emissions. Those effects will disproportionately affect developing countries—the countries that have contributed least to the problem. I know that in many ways that is philosophically what is behind the contraction and conversion ideas about which my hon. Friend has such strong feelings. Developing countries also lack the necessary financial means to cope with the widespread effects of climate change. We need to work with vulnerable developing countries to help them respond to the challenge.

Climate variability and climate change put some $10 billion to $20 billion of net overseas development aid at risk each year, threatening the achievement of the UN millennium development goals. As an important first step, we need to ensure that developing countries have adequate regional and national data and the capacity to interpret them, so that they will be able to assess their degree of vulnerability and plan effective responses for the future. We, as donors, should climate-proof our development spending through better screening and management of climate risk. As biodiversity Minister, I attended the launch of the Millennium Ecosystem Assessment, which has shown the clear link between the loss of biodiversity and the problem of achieving poverty eradication and, as I have already stated, the clear link between biodiversity loss and climate change.

Our aims are challenging, but we are confident that they are achievable. We are not at Gleneagles yet—there is still a lot of work to be done—but momentum is moving in our direction. The Prime Minister recently visited Rome, Moscow, Berlin and Washington, and he is in Paris today. He will also be holding a video conference with his Japanese and Canadian counterparts. The Prime Minister and President Bush had constructive discussions on climate change, and I hear my hon. Friend's cynicism about the President. The differences between Europe and the US on the scientific evidence surrounding climate change are well known, but we agree on the fundamental points that climate change is a serious issue and that we need to act in response. President Bush has said he is looking forward to a discussion on climate change at Gleneagles, and so are we. He and the Prime Minister have regular discussions on the subject.

We should not forget that the summit is not about creating a new Kyoto or any other international agreement, and nor is it about setting new targets—the UN framework convention on climate change is the right place for that. Instead, we want to find ways of reaching a new level of dialogue between the leading economies, private sector and technology leaders and the major emerging economics—dialogue that will lead to practical action, involving promoting new clean technologies and supporting sustainable economic growth. We will achieve that through both the measures that we agree at the summit and working together beyond Gleneagles. In many ways, Gleneagles will be about creating a will and momentum that can be then taken forward through the UN process. The package of measures on the table at Gleneagles will complement

the UN framework convention process by providing the means through which the necessary emissions reductions can be more easily achieved.

The UK remains open to any new international framework as long as it is realistic so that it is relevant to countries with different national circumstances, robust so that it is can be adjusted in the light of experience, and durable so that the system does not become irrelevant in a few years' time.

My hon. Friend has been very patient, and I will come to his specific points on contraction and convergence. He has been an articulate and passionate champion for the framework. His points are well argued and will be compelling to many listening to the debate. Certain aspects of contraction and convergence are appealing, including the identification of a fixed level for stabilisation of greenhouse gas concentrations, and comprehensive global participation. It is a long-term framework and has advantages of clear equity—all things that we support.

One key element, however, of any future regime must be workability. One particular concern with contraction and convergence is the question of how globally acceptable and, in consequence, how workable that would prove to be. The debate on further action is at an early stage and to support any one framework over any other at the moment would be premature.

Colin Challen: What are the other frameworks? That is the question. I am not aware that anything else is seriously on the table. What is described is an overarching framework.

Jim Knight: The argument that I am putting to my hon. Friend is that if we went with this particular framework, given that there is nothing approaching uniform support at the moment, we would be setting out our stall too early. We are very early in negotiations about how the framework can go forward at the UN convention in Montreal at the end of the year.

It is important that all existing suggestions remain on the table at present and that full consideration is given both to the possible solutions and to the elements within them that could be used to form part of a workable solution. As I said, the outcome will be decided by negotiations under the UN framework convention on climate change.

My hon. Friend asked if we could commission an independent expert study. I am told that there are already a large number of independent expert studies, which suggest a number of possible future frameworks, including contraction and convergence.

As well as the official G8 political process, we have been engaging with international business to hear its views. When the Prime Minister attended the World Economic Forum this year, he asked 25 leading multinational companies, including BP, Deutsche Bank, EDF, Ford and Toyota, to look at the issue of climate change. We are particularly pleased with their statement, issued on 9 June. Their message was strong—that we must take action now and Governments must send a strong policy signal to markets, taking into account the long periods over which investments in infrastructure are considered. They highlighted the need for the rapid commercialisation of new technologies, which are in many cases already developed. They also dismissed the idea that action to tackle climate change causes economic harm. They pointed out that there are likely to be economic benefits, particularly if initial costs are compared to the costs of inaction. The Government will take their message to the Gleneagles summit and beyond.

With limited membership and participation, the G8 alone cannot and should not produce a new international framework. What the UK's G8 presidency will produce is the momentum that the international community needs to develop a future framework. We hope that that dialogue continues through the United Nations framework convention on climate change, specifically at the next conference of the parties meeting in Montreal this year. We will be pressing for the conference to agree to start negotiations on the framework for beyond 2012, which we hope will produce a regime capable of tackling the huge challenge that we face. I trust that we will continue to debate such a crucial issue.

At the beginning of his remarks, my hon. Friend asked for a debate on the Floor of the House. I am sure that my right hon. Friend the Leader of the House will have noted what he said. Debating the issue is important. As we move through Gleneagles to Montreal, I hope that we continue to hear from my hon. Friend as the debate continues.

Electoral Reform

1.29 pm

John Barrett (Edinburgh, West) (LD): I very much welcome this albeit brief opportunity to discuss electoral reform and where this country should go following the recent general election. I accept from the outset that the issue of electoral reform is far from the top of the electorate's list of priorities, and certainly far from the top of the Government's list.

One problem of electoral reform is that all too often the issue gets bogged down in detailed conversations for—dare I say it?—anoraks who go on about the merits of one electoral system versus another. Which is the most proportional? Which keeps the constituency link? Is the d'Hondt formula really fair? To me, all those miss a more fundamental question, which all of us who are involved and interested in politics must ask: what sort of Parliament do we want to represent us and what sort of Government do we want to rule over us? In this country, unlike in the United States, our Executive and legislature are inextricably linked, so those two aspects are in effect one and the same.

I place on record my appreciation for the work of the all-party group on electoral reform, which is chaired by the hon. Member for Birmingham, Northfield (Richard Burden). The group has done a power of work for many years and, having attended its first meeting of the new Parliament last week, I can tell the Minister that it is reinvigorated and ready for the debate ahead.

I do not want to use this debate to extol the virtues of any particular system. I have my own views—indeed, my party has a very clear and long-standing policy in this area—but today I am arguing for an open debate, not just in this place, but throughout the United Kingdom. I hope the Minister takes the desire for that debate back to her Department.

As the Minister will be aware, this Labour Government were re-elected on the smallest share of the vote in UK electoral history. As the Electoral Reform Society has said, no Government in our history have had such a flimsy base of public support on which to rule. Surely, questions must be asked when a party can win a majority of 66 seats with only 35 per cent. of the vote. In finding answers to these questions, we need a reasoned and sensible debate in which people's differing views are respected.

The Government and this Parliament cannot shy away from that debate. The House of Commons has often been called the mother of Parliaments. Rather than being the loved mother, however, we are in real danger of becoming the embarrassing relative.

The Government have stated that there is no groundswell of support for changing the system. I accept that electoral systems may not be the talk of the steamy, as we say in Scotland, but there is no question but that more and more people of great reputation are coming round to the idea. Professor Patrick Dunleavy of the London School of Economics has described a change in the electoral system as inevitable. I share his sentiment, but cannot, at this stage, share his optimism. There is a great deal of work to be done to win this argument.

It goes almost without saying that any change in the electoral system should be made for the right reasons. It should not merely be mooted by certain members of certain political parties, only when their position under first past the post begins to look vulnerable. It should be a principled decision, based on a desire to improve democracy.

Any electoral system should work for the benefit of the public, not necessarily of the politicians, but the current system fails on that most basic of aims. The British public deserve far better from the system that they use to elect their representatives.

As the Minister will be well aware, *The Independent* has launched a major campaign for electoral reform entitled "Campaign for Democracy". It has already been backed by leading figures across the political spectrum, and when I last checked more than 36,000 people had signed up. This is an excellent campaign, which seeks not only support, but to educate people about the realities of our electoral system. I pay tribute to all those involved and to the work that they continue to do. To have gathered so many names in a relatively short time is very impressive. I have no doubt that the campaigners will be listening to the debate and that they will be listening particularly intently to the Minister's remarks.

The figures showing the extent of the unfairness built into our electoral system have been well documented, especially in the past few weeks, and I shall revisit some of them. In the general election, the Labour party was rewarded with 55 per cent. of the seats in the House of Commons on a mere 35 per cent. of the vote. The picture is even worse when one considers the percentage of the overall electorate. Labour was given a solid parliamentary majority despite fewer than 22 per cent. of people in the UK voting for it. It received 9.6 million votes from an electorate of more than 44 million.

I remember election night, when it was clear as the votes came in that the agreed line from the Labour party was that people had wanted the return of a Labour Government but with a reduced majority. That mantra was chanted by the Prime Minister, the Cabinet, Alastair Campbell and Peter Mandelson, but I believe it is plainly false. Only 35 per cent. of those who did vote voted Labour and 65 per cent. did not want a Labour Government at all, yet that is exactly what they ended up with.

If first past the post is used for the next election, it will be interesting to see what the electoral lottery produces. Under our current system, it is perfectly possible for the party with the most votes to come second in seats—indeed, that is what happened in 1951 and 1974. In fact, the detail of the 2005 election result shows that we faced exactly the same electoral quirk. In England, the Conservative party won 50,000 more votes than Labour, yet Labour won 92 more English seats than the Tories. I challenge anyone to defend that ridiculous situation.

Jo Swinson (East Dunbartonshire) (LD): Does my hon. Friend agree that the situation is equally ridiculous north of the border? The Member of Parliament for Glasgow, North, the constituency next to mine, was elected by less than one in five of the registered voters. Across Scotland, Labour won over 70 per cent. of the seats with less than 40 per cent. of the votes. Does my hon. Friend agree that this is unfair?

John Barrett: Absolutely. My hon. Friend makes a very good point. While there is an established three-party system in England, in Scotland we have four well-established parties and, in many areas, five. So, the situation is worse north of the border.

Under our current system, the job of government and the powers that come with it can be awarded exclusively to a party that enjoys the support of scarcely one in three of those who vote, and just over one in five of the electorate. That cannot be acceptable. It seems that it is no longer a case of parties winning an election, as winning is about who can work the system best and who can use the vote to greatest effect to win the greatest possible number of seats.

It is clear that, this year, the Labour party did not win the great debate of ideas. Rather, it was able to use the quirks of the system to deliver a parliamentary majority. If the same number of votes had been distributed differently, the general election result could have been completely different.

The current system is also unfair—in many cases grossly unfair—to smaller parties, as in many Scottish seats. There is an undeniable trend towards multi-party politics in the UK. The day of the two big political parties fighting it out among themselves is over. It took just 26,000 votes to elect a Labour MP at the general election, but 40,000 votes to elect a Conservative. Taking the number of people who voted Liberal Democrat and dividing it by the number of Liberal Democrat MPs, it took 96,000 votes to elect a Liberal Democrat.

At the other end of the spectrum, the UK Independence party received no representation whatever for its 610,000 votes. Similarly, the Green party polled over 250,000 votes and did not win any seats in Parliament.

First past the post may have been acceptable in a two-party culture, but the UK is now unquestionably a multi-party democracy. We urgently need an electoral system that reflects the political climate in exactly the same way as happens with the Scottish Parliament, the Welsh Assembly, the Northern Ireland Assembly, the London assembly, Northern Ireland councils, the European elections and, soon, Scottish councils. How much longer can Westminster be ring-fenced from such reform?

My party is often charged with proposing electoral reform because we would benefit most from it. There is no question but that the current system acts as a major barrier to my party, although, slowly but surely, we are overcoming that barrier. It is wrong to suggest, however, that we are acting in self-interest. In Scotland, where some of the most vocal proponents of a fair electoral system for electing the Scottish Parliament were Liberal Democrats, that system delivered 17 Liberal Democrat seats in Holyrood. Under first past the post, it is likely that we would have got 21 or 22.

Similarly, we are two years away from the first ever Scottish council elections under proportional representation. All the independent projections show that if PR had been used for the last council elections we would have ended up with fewer councillors. In my own seat, 70 per cent. of councillors are Liberal Democrats on 40 per cent. of the vote, yet we are still saying that this is an unfair system—that it is wrong. We argue for electoral reform because we believe it to be right and fair. We do not propose it for our own narrow gain. We are its advocates because we believe that it can produce a fairer and better parliamentary democracy.

No system is perfect; it would be wrong for anyone to pretend otherwise. All systems, whether proportional or not, have their advantages and disadvantages. Those of us who support PR have individual preferences about which system is best, but the inherent unfairness of the current system unites us in our belief. No electoral system can ever be perfect or hope to please everyone, but there are many better electoral systems out there that do not produce such unrepresentative results.

The decline in voter participation is as much a concern for me as it is for many other Members of the House.

John Hemming (Birmingham, Yardley) (LD): My hon. Friend may be interested in research that I have done on the G8 countries, which identifies a turnout of 80 per cent. in Germany and Italy, for example, where proportionate electoral systems are used, whereas in Britain and Canada the turnout is about 60 per cent. The evidence is quite clear: electoral reform results in an increase in turnout of 20 per cent. Does he agree?

John Barrett: I listened carefully to what my hon. Friend said. I am sad to have to admit that there are cases where that has not been quite so successful—I am about to touch on those—but anything that re-engages the public is definitely worth doing.

I was delighted to see turnout in my constituency rise at the general election from 64 to 69 per cent., which is an increase above the national average. However, in too many constituencies the turnout is still dire—below 50 per cent. in more than 30 seats. A problem arises when seats are regarded as safe, although I accept it is becoming more difficult to define what a truly safe seat is.

Under the current system, some two-thirds of seats are unlikely to change hands irrespective of the overall result, which is hardly an incentive for voters in those seats to vote. That argument is backed up by the figures. At the last general election, turnout in marginal seats was almost 69 per cent., compared to an overall turnout of just 51 per cent. in relatively safe seats. Putting it bluntly, many votes in safe seats around the country are counted but do not count.

At the last election, the majority of votes went to losing candidates. If we are to re-engage the population at large in the political process, we must convince people that their vote really counts. However, under the current system, the power rests in the hands of a few key voters in swing seats around the country, which leaves most people in the majority of seats facing little or no contest in their area. Little wonder so many of them are increasingly apathetic. It is clear that turnout at the general election was strongly influenced by the degree to which there was a genuine contest in the area.

Changing the electoral system will not solve the problem of low turnout, but it is a logical place to start. I agree with my hon. Friend the Member for Birmingham, Yardley (John Hemming): PR is not a panacea for that problem, but it could make a key contribution to re-engaging the unengaged.

[John Barrett]

I accept that there is evidence to suggest that moving towards PR does not bring with it an automatic increase in turnout. In the 1999 European elections—the first to be fought under PR—the turnout fell compared with 1994, and in the last Scottish Parliament elections the turnout was just under 50 per cent., but, although I believe that both those events were the result of serious underlying issues, I do believe that the problem was caused by the proportional system. In fact, I would even argue that the turnouts may have been even lower if those elections had been held under first past the post.

I want to give the Minister as much time as possible to respond to the points I have raised. I hope that she considers my arguments and the countless representations she will receive over coming weeks and months. Whether one is in favour of or against electoral reform, this important issue needs to be addressed urgently, and the Government cannot keep their head in the sand any longer in the naive hope that it will go away.

The Prime Minister promised that this Government would be more listening and inclusive following the reduction in their majority. I hope the Minister will listen to the growing and widening body of opinion that is promoting electoral reform, which she and the Government can no longer ignore.

1.44 pm

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): I congratulate the hon. Member for Edinburgh, West (John Barrett) on securing the debate and on attracting his colleagues here; it is good that a number of them are interested.

I shall pick up on some of the points that the hon. Gentleman raised, say where I believe there is common ground and tell the Chamber what the Government are doing in that respect. He started by saying that electoral reform is sometimes seen as a matter of great interest to anorak-wearing obsessionals, but that it does not have a wider interest. I agree with him in two respects.

First, the technicalities of the various voting systems and the arguments for reform mean that the subject often passes over people's heads. None the less, I agree profoundly that our democracy is at stake. Fairness, legitimacy and turnout form the basis of our representative democracy so, like the hon. Gentleman, I will be undeterred by suggestions that those who focus on the issue have somehow lost the plot and that we should be talking instead about the health service or the economy. The subject is technical, but it is hugely important, and I welcome the fact that he chose the subject today.

Secondly, the hon. Gentleman was right to say that there are many deeply held views, not only in the House but outside. We hold our views strongly because, apart from the independent Members, we are all members of political parties; we have all been elected and we all have a big focus on the system. However, we are not the only ones who feel passionately about the subject and who want to engage in the debate.

Many people are concerned to be involved in the debate more widely, and the hon. Gentleman asks whether we are prepared to listen and to respect the views of those who participate in it. The answer must be yes, not least because, as he said, we must take a principled approach to a debate about improving democracy. It would be okay to talk about what suits our party, or what might suit two parties but not the others, but if there is one thing that the voting public would run a mile from, it is the idea that, having got into power, we would rig the system in our favour and that party political interest would somehow override the principled issues. We must always be vigilant about that.

As party creatures, it is sometimes difficult for us to disentangle the issues; it is often easy to think that we have argued something from principle because we feel it hugely strongly and because it happens to help our party. However, the hon. Gentleman is right to say that the principle that should underpin our debate is that reform should mean an improvement in democracy and not a fix for one party or another.

I agree with the hon. Gentleman that no system is perfect. None of those who support any of the range of electoral systems that operate here and abroad would ever claim that one system hits all the objectives. Otherwise, all elections would be held on the same basis as here. The point is that, despite the fact that no system is perfect, we want to have the best system that we can.

Mr. Jeremy Browne (Taunton) (LD): When the United Kingdom is recommending different electoral systems around the world in our quest to spread freedom and democracy, will the Minister say which countries we have advised to adopt the same system that we have in Westminster?

Ms Harman: The hon. Gentleman makes an important point. I have just returned from a trip during the recess to Tanzania, the country of origin of many of my constituents. That country is about to hold elections in October and I was asked how we felt comfortable when, although we had a falling share of the vote, we still had a large majority. It thinks that it will face a similar situation. In response to that, we urged the country to continue with its commitment to multi-party democracy, but it must decide on its own systems for elections in order to command the confidence of its people. We do not go around the world lecturing people on voting systems, although we closely examine systems that operate in different parts of the world.

The hon. Member for Edinburgh, West said that a fundamental problem was that people did not get what they wanted from the 2005 election. I think that I am right in saying that the opinion polls broadly showed that the centre of gravity of public opinion was that there should be a Labour Government with a reduced majority. In that respect, I did not get what I wanted because I would have preferred a Labour Government with a large majority. Not everyone gets what they want—perhaps that is a facile and self-evident thing to say—but that was generally what the opinion polls showed. I will not quote any more opinion polls because we are trying to have a discussion about principles.

John Barrett: Does the Minister genuinely believe that the people of the United Kingdom got what they wanted when only 35 per cent. of them voted for the Labour party but they got a Labour Government with a large majority?

Ms Harman: They got what they wanted in that the overwhelming majority of people wanted a Labour Government with a smaller majority.

John Hemming: Does the Minister believe that we should be governed by opinion polls or by the secret ballot?

Ms Harman: I am going to steer straight off opinion polls. The hon. Member for Edinburgh, West asked whether people had got what they wanted.

Mr. Browne: I will make this my final intervention. How does the Minister think that people can vote for a political party to have a smaller majority? Someone can vote only for who they favour to be the Member of Parliament for the constituency in which they live. They cannot influence the overall outcome of the election.

Will the Minister also tell me whether she thinks that 35 per cent. of the vote is sufficient to give a Government legitimacy with an overall majority? What percentage figure does she think would be too low to give a Government the legitimate authority to govern even if they had an overall majority in the House of Commons?

Ms Harman: That returns me to the original point, on which I agreed with the hon. Member for Edinburgh, West, of what the best system is that commands support, has legitimacy, is seen to be fair and simple, and yields what we want, which is a representative Parliament that can hold to account effective Government. I think that hon. Members will agree that the Government have engaged in a great deal of reform since 1997 of the constitution more widely and also of voting systems. We have not been sitting on our hands, refusing to engage in debate or change things. There has been a huge change, including devolution to Scotland and Wales.

Jo Swinson: Although I admit that the Labour Government have achieved a great amount in terms of constitutional reform and devolution, the voting system in Scotland under the devolved Administration is a proportional system. Would the Minister not agree that it is about time that we moved into the 21st century and did the same in Westminster? If it is good enough for setting up a new Parliament with a modern voting system, why can we not do the same in Westminster?

Ms Harman: In addition to devolution in Scotland, Wales and London, we have brought about other constitutional changes through the Freedom of Information Act 2000, regarding transparency and how government works, and with the Human Rights Act 1998, regarding the holding of the powers of the Executive to account in the courts. We have been constitutional reformers.

John Hemming: Does the Minister agree that it would be better to hold the Executive to account in the legislature rather than in the courts, and that having to rely on the courts because we have a flawed electoral system is not the best way forward?

Ms Harman: We want a good electoral system and for the Government to be held to account under the rule of law; we should not have to choose one or the other. However, I should like to respond to the hon. Lady's points about the voting systems.

The new constitutional arrangements mean different systems for elections to the European Parliament, and a different election system for Scottish Parliament and the Welsh Assembly. The single transferable vote system has been used in Northern Ireland for the past 30 years, except for elections to Westminster. We now have the Greater London authority and the additional member system, which we brought in with the 2000 elections, and, of course, the mayoral elections with the supplementary vote. It is only right, having introduced such a large range of new election systems, that we should take stock of the effect of those systems and how they have worked.

The hon. Member for Birmingham, Yardley (John Hemming) said that the key to turnout is proportionality. We need to look at our systems and understand not only the level of turnout for elections to each institution, but the trend, and we must also consider the effect of different voting systems on turnout both abroad and here. I think that he would agree that turnout is affected by many more factors than just the clarity or fairness of individual voting systems.

John Hemming: I return to my point about G8 countries and the clear 20 per cent. increase in turnout. I accept that many factors affect turnout, but does not the Minister agree that there is a clear distinction between the G8 countries that have proportional electoral systems and those that do not?

Ms Harman: We are looking at UK elections that use a proportional system to assess both the level of turnout and trend, because we are concerned about turnout that is on a falling trend. I say this only to report it to the Chamber, but the trend in turnout in elections with proportional systems in this country seems to be no better than that with first past the post. That is why we are doing what we said in our manifesto that we would do: reviewing the experience of the new electoral systems that were introduced for the devolved Administrations. We also said that if we were to recommend a change in the system of election to the House, there would have to be a referendum to agree the right way forward. At the very least, we need to review the effect of the current systems while we discuss issues such as public confidence in politicians, availability of information to citizens and accessibility to the vote.

Many factors other than people's opinion of the voting system dictate whether they are enthusiastic about politics and are prepared to go to the ballot box and vote. We all want a high turnout, as that is key to legitimacy, but we must consider the many factors that affect it, rather than single out the electoral system. Would that it were so easy that we could fix the problem of legitimacy simply by changing the voting system. I strongly believe that it is more complicated than that. We must consider not only the voting systems—which we are looking at—but all the other factors that affect turnout.

Question put and agreed to.

Adjourned accordingly at Two o'clock.

Westminster Hall

Wednesday 15 June 2005

[JOHN CUMMINGS *in the Chair*]

Affordable Housing (London)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Alan Campbell.]*

9.30 am

Glenda Jackson (Hampstead and Highgate) (Lab): I am grateful to have been afforded the opportunity to debate a matter of crisis proportions in London: the lack of affordable housing and, most markedly, the lack of affordable housing within the rented sector. Such a pan-London problem is borne out by the number of colleagues who are present this morning—despite the intemperate weather—hoping to catch your eye, Mr. Cummings. The problem is further borne out by the amount of unsolicited briefings that I and colleagues received from several organisations at almost the same time as the debate was publicly announced.

I now come to what are sometimes boring statistics, for which I am grateful, in particular, to Shelter. The key facts are that, in London at the end of last year, 61,670 statutorily homeless households were trapped in temporary accommodation. The average wait in temporary accommodation has shifted from the average 91 days that families experienced in 1997 to 391 days. In 2003–04, 31,530 households were accepted as homeless and in priority need, including almost 30,000 children and 3,900 expectant mothers; 279,730 households were registered on council housing waiting lists; 174,200 households, including 261,000 children, were in overcrowded homes.

Those are stark facts, but before I draw attention to more facts, I wish to say that Shelter, the London Housing Federation and the Greater London authority paid unstinting tribute in their briefings to what the Government have done already and are in the process of doing to deal with the serious housing crisis in London. They paid tribute to the additional funding from central Government, to the five-year strategy of the Office of the Deputy Prime Minister and to the innovative use of land surplus to the needs of the Ministry of Defence and the national health service, which is to be used for building. The organisations paid tribute to the plans that have facilitated key workers in getting on to the housing ladder. However, my argument is not aimed at the situation of those who are desperate to get on to the housing ladder by virtue of being able to buy, but at the thousands of people who will never be able to buy property and who are still excluded from decent housing because of the lack of housing with affordable rents.

I wish to draw attention to what is happening in my borough of Camden, as set out in the briefing forwarded to me by the London Housing Federation. The cost of an average home is more than £388,000. The average gross income for a full-time employee in the borough is just over £34,000. In the private rented sector, an average weekly rent for a one-bedroom property is more than £215. The rent for a three-bedroom house is more than £356 and the average net weekly income for someone working in the borough is just over £472. I hope that these statistics kill the canard that still has a certain popularity among the tabloid press that the only people who live in my constituency are multimillionaires.

Two other issues that were raised in all the briefings that I am sure all right hon. and hon. Members received are the shortage of affordable rented housing and, as Shelter puts it, the Dickensian approach to what constitutes overcrowding. I am sure that we all regularly receive complaints about overcrowding at our advice surgeries. We all welcome what the Government have done in reconsidering what constitutes overcrowding, but it will be of little benefit to any housing authority to be able to award more points for overcrowding in its necessary definition of who has priority need if, as in my borough, it has virtually no three or four-bedroom houses.

I shall not go into the argument about whether the right to buy was right or wrong. That is water under the bridge and there have been changes to the right to buy, which I welcome, but we are failing to build a sufficient number of houses in London. We are not meeting the recommendation on the number of houses in the Barker report—a report that all those who submitted briefings to me welcomed. Even if we do manage to meet the target of 50 per cent. of all properties being affordable, there is still an imbalance with those affordable properties being apportioned to people who can only afford to rent. The ratio should be 70:30. In some instances, the relevant figure is only 6 per cent.

As well as examination of what constitutes overcrowding, there must be a shift to ensure that in the new build coming along, there are more houses that can accommodate larger families. We all read of middle-class families in which parents are still burdened with their grown-up children because they cannot afford to get on the housing ladder. I sometimes find such cases surprising. A case was recounted to me in which the grown-up child works in the City. I did not think that anyone working in the City could not afford to get on the housing ladder, but it just shows that the longer we live, the more we learn.

It is accepted that middle-class families should not have to endure such situations, yet if we move further down the socio-economic scale, society is expected to accept or endure large families having very low mean incomes. That is unacceptable, which is why I am attempting to reinforce my argument to the Government that we must examine the possibility of building more houses for larger families. Pray God we never return to the Dickensian days when there were families of 13, 14 and 15 and child deaths were almost accepted as the norm under the age of three, but we must begin to acknowledge the changes taking place in society and, most markedly and most particularly, in London. Everyone knows that no Government have a bottomless purse, but I am arguing that the Government should re-examine the amount of money that they apportion to new house build in London. I am not a mathematician, financier or accountant, but one possible way of making the case for more funding for London is by asking the Government to consider, using

[Glenda Jackson]

accepted accountability criteria, the cost to London and our society of the inadequate housing that is inflicted on families.

The figures on children in temporary accommodation are particularly shocking. One knows from first-hand experience from one's constituency of children who are not in secure accommodation and who may be moved—throughout London in some instances. They may spend 391 days in temporary accommodation, which sounds a long time to me, and that can happen more than once. There will be clearly be an impact on such a child's education and sense of security, and the capacity of the family to create the elements of the secure environment that we are all told are the basic building blocks of a healthy functioning society will be entirely eroded. There are clear implications for the further breakdown of families, which in some ways is one of the constituent factors in the need for further housing in London.

Also, the employment capacity of such families is reduced. If we could equate that to pounds, shillings and pence on the balance sheet, perhaps that would strengthen the argument that London should have more money to build more houses, most markedly houses earmarked for affordable rents. I know that hon. Members who do not represent London seats take umbrage at the argument that London should be a primary cause for concern, but we are told that London is the engine room of the national economy. I see no reason to discount that. For every job created in the City of London, two are created in the hinterland of the United Kingdom. We have to maintain our primacy, not only as one of the great capital cities of the world, but also as one of the great financial centres of the world, and one of the great centres for service industries. We are a benchmark for inward investment in many ways, as far as the wider European Union is concerned. However, although I am happy to put forward that argument, that is not, essentially, the argument that I am advancing today.

I began by pointing out the number of extremely helpful briefings that had been furnished to me, and, I am sure, to all hon. Members. Of course, the most potent and powerful briefings submitted to me come from the direct experience of my constituents. I will give two recent examples.

First, a single-parent family with four children live in a two-bedroom flat, where a 12-year-old brother and a nine-year-old sister have to share the same bedroom and the mother has to share her sleeping accommodation with a three-year-old child and a nine-and-a-half-month-old baby. Do not ask me where dad is. We can all imagine what has happened there. Severe overcrowding—a lack of affordable rented accommodation—can be a constituent part in the breakdown of families, with the implications that no one in this Chamber needs me to detail.

Another situation that came to me only two weeks ago was where an attempted suicide had been occasioned because of overcrowding. These are real, genuine, human tragedies, and we can do something about them. Again, I would argue that that must be a primary concern for our Government. They have done so much to examine how the services that government is justifiably expected to provide to our citizens can be delivered in an infinitely more joined-up manner. We are quite rightly pouring so much money into Sure Start, which is attempting to incorporate what local authorities provide—have to provide—in services to children. Yet I find it bizarre that we still have a huge, gaping hole that will negate all that excellent work, simply by impacting upon those children's ability to learn, to make friends and to participate in society, because they are not in permanent, decent, affordable accommodation.

As I said, all the briefings that I have received are mindful of the immensely good work that the Government have already done in this area, but they are equally detailed in pointing out that there is a great deal more that has to be done. From my own constituency I see that the issue has a wider impact than on just the immediate family. I am sure that we all have direct experience of serious neighbourhood disputes and of neighbours from hell, which stem quite simply from severe overcrowding, as in a case that came to me quite recently. A mother finds it virtually impossible to maintain a level of quietude in her overcrowded flat that does not impact upon her elderly neighbour. Her children—some at school, some at pre-school—have no garden in which to play. They live in a tower block where the lift does not always function, and it is virtually impossible to prevent those children from making a noise.

It may seem that much of what I have used for my contribution this morning is critical of local authorities, but I would not wish that interpretation to be made. I have immense admiration for what Camden has done and is doing in attempting to provide affordable housing for its council tax payers. It is innovative, and its housing benefit department has two charter marks for the excellence of its service. It was at the forefront of the local authorities that joined the scheme whereby someone who lives in Camden can be moved to another part of the country if they so wish. Again, I pay tribute to the Government, who are, I understand, examining the scheme so that if a family want to take the opportunity of moving out of London, they can get more detailed information on matters such as the job opportunities and educational facilities that are available to them.

I pay tribute to what my local authority has done, but I must say that my borough is not one in which any land will be available for building. We have serious problems even with repairs and refurbishment. There could be an argument—although I will not take time today on it—for re-examining the possibility of a pan-London scheme for lettings and, most markedly, for renting.

I am on record as saying that any Member who cannot say what they have to say within 10 minutes should not get to their feet. I see that I have broken my own rule, so I draw my remarks to a conclusion by once again saying how grateful I am for the opportunity of raising a problem of truly crisis proportions in London. It has its most marked impact on some of our most vulnerable people, such as children.

9.47 am

Clive Efford (Eltham) (Lab): First, I congratulate you, Mr. Cummings; this is the first meeting that I have attended with you in the Chair. I congratulate the Minister on his appointment. This is my first

opportunity to do that, and I am pleased to see him in that position, particularly in today's debate, as I know that he will have a lot of relevant experience from his constituency just across the water from my borough. I also congratulate my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) on her success in securing the debate. I know that my hon. Friends the Members for Islington, North (Jeremy Corbyn), and for Edmonton (Mr. Love) have been applying for a similar debate, and we are pleased to have this opportunity.

During the last general election the issue of housing was, remarkably, overlooked. There is a great deal that the Government have done and not received enough credit for. For example, delivering on the decent homes initiative, which will improve the quality of life of millions when it is finally completed, was long overdue and is very welcome. The Government have made it clear that they also want to tackle the problem of social and affordable housing, but I believe that one area is being left behind: the affordable rented sector, particularly in council housing.

I am sure that I am no different from any other Member in that every week my surgeries are full of young people with young children who are living at home with their parents. They are looking for the start in family life that their parents were given by their local authority, which provided decent quality housing where they could bring up their family. Young people today are denied that opportunity because of the shortage of affordable rented accommodation. This year, 12,200 people have sought housing from my local authority. More than 4,500 of those are council tenants seeking a move, and just over 7,500 are seeking to become council tenants.

Comparing the figures for 1999 and this year for the number of people applying on the grounds of being homeless tells the story of how we are not addressing the core problem of housing need. This year, 3,332 people applied on the grounds of being homeless. In 1999, that figure was 3,700—a very similar figure. The accepted figures were 1,305 this year and 1,302 in 1999. Yet this year 970 people were still waiting to be housed, whereas in 1999 there were 599. The problem is supply rather than a growth in numbers. There is no dramatic growth in numbers exacerbating the problem. The people whom I see in surgeries cannot afford to buy a property, even through the schemes that the Government have come up with. We need to address that problem in our future housing policy.

Throughout the country, 280,000 people are waiting for affordable housing and 61,000 are in temporary accommodation. Since 1979, 244,000 homes have been sold under the right to buy. Figures from the Office of the Deputy Prime Minister on the supply of homes over a similar period tell a sorry tale. For example, in 1979, 16,200 properties were built for tenure by registered social landlords or housing associations, and nearly 75,000 for local authorities. Since 1979, the local authority figure has gradually fallen, and it has tumbled since the mid-1980s. At the time of the election in 1983, local authorities were building nearly 30,000 properties and registered social landlords were building 14,000. That trend has continued up to last year, when only 131 local authority properties were built. However, remarkably, the number of registered social landlord or housing association properties was almost exactly the same as in 1979.

There is a serious shortage in the supply of affordable rented accommodation. I have figures supplied by the ODPM for the starts and builds for local authorities and housing associations in London over the past two years. One column of figures shows the number of properties started and the other shows the number completed. With the exception of Hillingdon and Wandsworth, which somehow managed to build six properties each, the columns are filled with noughts—apart from those exceptions, local authorities started to build no new homes.

In the area covered by me and by my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), Kidbrooke is being regenerated. That is very welcome and will improve the quality of properties in that area enormously. About 2,000 properties are covered by the regeneration, and completion of the regeneration will create 4,400 properties. Of those 2,000 council properties, there are about 200 leaseholders, so there are roughly 1,800 council rented properties. When the scheme is complete there will be 1,900 affordable properties. However, that figure includes part own-part buy, assisted ownership and all forms of affordable housing, including the rented sector. There has been a significant net reduction in the availability of affordable rented accommodation as a part of the regeneration programme. Much as I welcome the regeneration of the area, I think that that is a problem.

There is also the question of the number of bedrooms. What types of property will there be in the rented sector? How large will they be, and will they be targeted at local need? Those issues have not yet been addressed. I do not oppose the regeneration programme—I welcome it very much—but let me stress that future programmes must address the issues of affordability and the availability of rented accommodation. The net reduction must not continue while there is clearly a problem for people who are trying to access affordable rented accommodation.

In our manifesto, we said that we would allow local authorities to build council properties. I do not suggest that we should just say to local authorities, "Build council houses again and that will solve all the problems." We could have another debate about the problems of large council estates. However, we need to think of ways in which we can assist local authorities, possibly in partnership with the private sector or with housing associations, to release their capital assets and to turn them into buildings. For example, a large part of the Kidbrooke regeneration area is local authority land. Some of it has been handed over to English Partnerships as a managing agent. It is not impossible for us to allow a registered social landlord to manage the building element of that regeneration programme, to sell homes to the private sector and take the capital receipts, to sell affordable homes at discounted rates under all the schemes that the Government have promoted, and to use the capital to reinvest in social housing.

At the moment, because of the shortage of resources, when we want to develop a piece of local authority land we sell it to the private sector and then, under section 106, try to negotiate back a proportion of affordable housing. However, the amount of affordable housing for rent is minimal, and we end up with small pockets of

[Clive Efford]

poorly managed housing association property. Their managers might look after the fabric of the buildings, but there are other issues in the social realm—the area outside the properties. I am sure that we all have such pockets—housing association developments that have been poked in at the end of a development and which are a problem. They are not properly managed or overseen because they are at arm's length from the local authority. That problem has been created by our current housing policy.

We need to think of local authorities as a vehicle for regeneration, and as a means of providing more rented accommodation. We can provide the resources if we are creative in the way in which we use the assets that we already hold in order to make provision for investment. I welcome what the Government are attempting to do in respect of affordable housing, but I fear that we are not getting it right with regard to affordable rented accommodation and social housing. Local authorities can play a major part in addressing that problem.

9.59 am

Meg Hillier (Hackney, South and Shoreditch) (Lab/Co-op): I will not go over the ground that colleagues have covered, but I should like to set the scene for my constituency, where there are three key issues in respect of housing. One of them is improvements to council housing stock, which have made a great jump since this Government came to power in 1997. May I flag up for the Minister the transfer of the Haggerston West and Kingsland estate, details of which are possibly on his desk at the moment? I shall lobby him about that separately.

There is a shortage of affordable rented accommodation in Hackney, and a great need for intermediate housing. However, today I shall focus on the shortage of rented accommodation, and how that is leading to severe overcrowding.

It is worth emphasising, as did my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson), that many people have a stereotypical image of Hackney; it may be the opposite of their view of Hampstead and Highgate. Nestling among the council estates of Hackney are properties worth £1 million that are well out of the reach of people living there. We talk a lot about stock and transfer, and the formulas of the Housing Corporation, but the human side is that many of those who work hard to keep their families together and who contribute to London's economy live in severely overcrowded housing and are unable to move, cannot think of purchasing a house and cannot be transferred to other properties.

Only this week, a woman came to my surgery who had had to wait seven years to be housed in her present property, but who now needs an extra bedroom. That is one of the concerns that I wanted to raise today. Housing associations and registered social landlords are still building properties that are too small. There are too many one and two-bedroom units and not enough three or four-bedroom units.

Hackney is the third most severely overcrowded area in the country. It is important to tackle the problem. As many as 9.1 per cent. of homes in Hackney are overcrowded—8,000 households. The vast majority are in social housing, 12.3 per cent. are in registered social landlord properties, and nearly 5 per cent. of that overcrowding is severe.

I shall not rehearse the arguments outlined by my hon. Friend the Member for Hampstead and Highgate on the impact of overcrowding on family life. All hon. Members know of it. However, I raise directly with the Minister the matter of the efficiency of Housing Corporation funding, which is based on the cost per home rather than on the number of people living in those homes. I am delighted to see the changes made to the bidding round of 2006–08, but I would like the Minister to look further into the matter, in order to encourage RSLs to build larger family housing. Perversely, under the current rules, they have no incentive to do so, which causes severe problems in my constituency. The London housing strategy must reflect that fact.

We need to increase the supply of large homes with more than three bedrooms. In my constituency, three bedrooms are not always enough. Surveys show a great need for larger houses in London; 40 per cent. of new social housing should have four or more bedrooms, but only 6 per cent. of housing built in the past 10 years has that. I rest my argument there, and I hope that the Minister will respond fully to those points.

John Cummings (in the Chair): Before I call the next speaker, I should tell the House that I intend to start winding up at 10.30 am. If hon. Members bear that in mind, I am sure that all who wish to will get to speak.

10.2 am

Mr. Sadiq Khan (Tooting) (Lab): I am conscious of the 10-minute dictum mentioned by my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson); as she is sitting next to me, Mr. Cummings, I am keen not to fall foul of it. Instead, I shall speak of my experience as a councillor in the London borough of Wandsworth over the past 11 years.

Unlike my hon. Friend the Member for Hampstead and Highgate, I am critical of my local authority. Wandsworth has been a Conservative borough since 1978; it immediately starting flogging the council housing stock, and it has not stopped since. No new council housing has been built since then, and registered social landlords have been given little encouragement to build. At the same time, the council has a specific planning policy of not asking developers to provide affordable housing, and the laissez-faire policy of the planning department has perversely meant that luxury developments are being built in Tooting despite the chronic need for affordable housing.

Two years ago, we finally managed to persuade the public inspector to change the council's unitary development plan, so it now includes a requirement to provide 25 per cent. of affordable housing on developments of 15 units and above. The problem is that the units being provided for affordable housing are studio flats, not family homes. Developers have got around the UDP by building studio flats that still meet the definition of 15 per cent. but are not suitable for local housing.

During my 11 years as a councillor, during the election campaign and in the six weeks since becoming a Member of Parliament, I have come across a number of problems. First there is the problem of three generations of a family living in one household, including teenage brothers and sisters who have to share a bedroom not only with each other but with parents and sometimes grandparents.

Secondly, some nurses at St. George's hospital, Tooting, and some teachers at local schools live many miles away, have to travel long distances to work and query what commitment they can give to their local public services. Historically, nurses lived locally to their hospitals and were committed to them; the same went for teachers and their schools.

Thirdly, waiting lists continue to get longer and longer and they do not reflect the true position. Residents have given up hope of registering with the local council because, as was mentioned, the points system is defective. They are also well aware that even if they were on the waiting list, there would be no realistic prospect of being rehoused in the imminent future.

Fourthly, there are residents in their 20s, 30s and 40s living in private rented accommodation who know that they might move on in six or 12 months' time, at the end of their assured shorthold tenancies. They have no community ties or loyalties to the area. I query what commitment their children can have to their local areas, given that they could be moved from their primary schools in the next six to 12 months.

I have already talked about the luxury developments being built; unfortunately, the Mayor's power to stop those is limited. Recently, I have seen examples of tenants in private rented accommodation being charged astronomical rents. They need housing benefit to pay them; they have no prospect of getting employment with sufficient pay to cover that rent, for homes to which they have been directed by the local authority.

Our sixth concern is the lack of a definition of affordable housing. Local authorities such as Wandsworth, which are not given proper advice about how to provide affordable housing, have a huge amount of wiggle room, which has led to their not meeting the needs of local residents. I agree with the Government's view, set out in the manifesto and elsewhere, that many people have aspirations to be owner-occupiers, but many people in London and elsewhere also need rented property. I genuinely and sincerely believe that the affordable housing crisis is a powder keg ready to explode at any time in the imminent future.

What needs to be done? First, we need a definition of affordable housing with a particular focus on rent, not only owner-occupation. Secondly, we need to ensure that any percentage requirements for new builds in local authorities' unitary development plans include family-sized houses. There also needs to be a review of the private rented sector and its relationship with housing benefit and the so-called benefit trap.

Clearly, even more new housing needs to be built in London. Consideration needs to be given to the hidden homes initiative; the six hidden homes in Wandsworth mentioned by my hon. Friend the Member for Eltham (Clive Efford) were, frankly, garages in council estates that had been turned back into accommodation.

I thank my hon. Friend the Member for Hampstead and Highgate for raising this matter and am grateful for the time that we have been given to discuss this important London issue.

10.8 am

Jeremy Corbyn (Islington, North) (Lab): I recognise that there is a shortage of time, so I shall be brief. I congratulate my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) on securing this debate and I welcome the Minister to his new post. Even I can use the parlance of new Labour: I invite him to make a step change on housing policy in London.

I recognise that the Government have put enormous amounts of money into improving existing stock in council estates. That is very welcome, and I welcome the new roofs, windows, lifts and other things in estates in my constituency every time I see them. It would be nice if the Liberal Democrat-controlled council in Islington recognised that all that money has come from a Labour Government. It has not come from the sky, which the Liberal Democrats seem to love so much.

In London, however, there is a terrible housing shortage. Whatever aspirations my right hon. Friend the Chancellor of the Exchequer has that 70 per cent. of the population should own their homes, that will not happen in London, and cannot unless we continue the policy that simply exports the poor out of London because there is no affordable rented accommodation where they can live. I hope that the Minister will turn his attention towards persuading local authorities to use the very large amounts of money that they receive from central Government to continue the improvements, but also to invest in new buildings for rental by local authorities and to continue putting money into housing associations so that they can increase their number of properties.

The cost of not investing is enormous in a social sense. All London Members present hold regular advice bureaux. We go through the pain with the families of teenage boys and girls who have to share a room. They have nowhere to do their homework, be at home, socialise or invite friends round. They feel like second-class citizens. Their middle-class friends go to each other's houses for weekend sleepovers, parties and all the rest of it. The teenagers in council houses cannot do that because there is no space. It builds up a series of experiences that leads them to feel inferior and they are then forced to spend their time socialising on the street. Someone then suggests that they should not be allowed to wear hoods on the street and so on and so on. We end up with a process of social isolation and social deprivation that we are responsible for, because we are not investing the money necessary to ensure that everyone has somewhere decent to live.

All this costs money, but I invite the Minister to examine carefully the current London figures. The number of people on housing registers in London is 279,729. In my borough, nearly 7,000 people are on the housing waiting list, and it is not easy to get on it. People do not just walk into the office and give their name; they must prove a degree of need in order to be on the list. For the last year for which statistics are available, the number of new properties completed was a tiny proportion of what is needed. The number of new

[Jeremy Corbyn]

lettings across London last year was a small proportion of the total; 51,000 new lettings were achieved but that includes lettings to people who are on the transfer list as well within the local authority. I ask the Government to think seriously about these issues.

The sale of council property was promoted by the Conservatives in the late 1970s when thousands of new council homes were being built each year. My hon. Friend the Member for Edmonton (Mr. Love) and I were both in Haringey at that time. I think that in 1979, Haringey's Labour-controlled council built 1,000 new properties. We could see a real improvement. The argument for the right to buy was strong and politically powerful. The right to buy is now rampant and local authorities cannot keep pace with it. The result of right to buy is not that the houses stay in the local authority's orbit or indeed necessarily in that of people in social housing need, but that they become investment opportunities.

I will give an example of a former local authority flat. I picked up the information from an estate agent last week. It is a three-bedroom, purpose-built local authority second-floor flat that is currently fully let to a housing association. The vendor informs us that he receives £1,380 a calendar month. The property is on sale for £240,000. I suspect that he managed to buy it for much less than half that price and that it is bringing in probably three times the rent level that was achieved by the local authority. Who has benefited from that, other than people who have managed to loan some money, probably at a high rate of interest? We are just creating a management problem on the estates and a greedy atmosphere. We are not solving the housing problem that goes with it.

I want to ensure that as many of my colleagues as possible get a chance to say something but I want to make a final point. I ask the Minister to examine closely the definition of "affordable" as used by local authority planning departments when they approve planning applications. Tomorrow evening there will be a large public meeting in my constituency concerning the proposed housing development on the Arsenal stadium site. Arsenal football club is moving to a new, expensive stadium and its existing stadium will be turned into a housing area. Unfortunately, it will become a gated community and what is now the pitch will not be accessible to the public. The tiny number of social housing units will be deemed affordable—but by whom? I suspect that those who can get fairly well-paid jobs and be defined as key workers might manage to get on to the property ladder by getting a part-purchase of a property, but for those in desperate housing need this will be an entirely closed book. We should get away from a definition of "affordable" that includes part rent and part purchase; instead, we should insist on renting at local authority rent levels from either a local authority or a housing association, and follow the Mayor of London's strategy that 50 per cent. of all new developments should be for those in desperate housing and social need.

We must deal with this problem. London will become a more divided city; the poor will be exported out of London, and social isolation and deprivation will increase.

10.16 am

Mr. Andrew Love (Edmonton) (Lab/Co-op): I congratulate my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) on securing this debate, and I join with my hon. Friend the Member for Islington, North (Jeremy Corbyn) in welcoming the Minister to his new position.

Like my hon. Friend the Member for Eltham (Clive Efford), I was disappointed that housing did not play a more prominent role in the general election, but it is important to remember that housing is a much more important issue in the Greater London context than it is nationally; if we do not understand that, we do not understand why this debate is taking place.

I shall make two brief points. First, I welcome the Government's overall objective to halve the number of people in temporary accommodation, and I hope that they succeed. However, I suggest that the priority in achieving that must be an increase in socially rented accommodation that is greater than currently planned.

Other hon. Members have congratulated the Government, so let me join them by applauding the recent announcement of an 18 per cent. reduction in temporary accommodation or homelessness acceptances. That is to be welcomed, but we must not forget that there are still more than 100,000 people in temporary accommodation in our country, and that that figure for London has increased from about 25,000 in 1997 to more than 61,000 last year.

I am pleased, however, that the Government have a strategy to reduce the number of people in temporary accommodation, and several of their measures are achieving some success. There is a need for advice and support to be given to people who are threatened with homelessness, and the provision of that is having an impact. There are also measures to prevent homelessness, such as taking action on rent deposits and helping to ensure that marriage breakdown does not cause homelessness; they are having some success, too. There is also talk of using our existing housing stock more effectively. Although I accept that we can always do better, only limited steps can be taken in that regard to assist in reducing homelessness numbers.

The key issue that we need to confront in relation to the strategy that the Government want to introduce to reduce the numbers in temporary accommodation is achieving a greater volume of socially rented property in London. That is crucial. The strategy suggests a figure of 10,000 units by 2007–08, and that is what the Government are projecting in their current spending review. However, there are several reasons why that figure might not be achieved. Land costs and construction costs in London have gone through the roof, especially in the past couple of years; it is now more expensive to build new accommodation, and we must include that factor in our calculations. There has also been a shift in priorities in the overall mix of accommodation that the Government are currently planning, from socially rented accommodation to low-cost home ownership initiatives. In the Greater London context, it is essential to maintain key workers, but we must be concerned about this matter. In 1997, about 20 per cent. of overall new accommodation was for low-cost home ownership. It is now 40 per cent., which reduces the number of new rented units that will be built.

My major concern is the difference in the number of units that are coming forward compared to what the Government are planning. For example, the Barker report which was produced last year—commissioned by the Treasury and accepted by it and the Office of the Deputy Prime Minister—suggests much higher figures of affordable rented accommodation than are currently planned. The Mayor of London's London plan suggests that 10,500 socially rented units should be built. Yet in 2003–04, only 5,000 units were actually completed. The London Housing Board's proposals for the future suggest that there will be about 7,000, a figure that is well short of the London plan proposals.

To go even further into some of the independent research commissioned by various housing bodies, Shelter is projecting a build of less than half of the real need in Greater London. We need to examine carefully what we are proposing for socially rented accommodation. If we continue to build only the 7,000 or so projected units, it seems difficult to predict that we will halve the numbers of those in temporary accommodation by 2010. We all know the impact that that will have in our constituencies. Almost 50 per cent. of the cases that come before my surgery are housing-related issues—almost all to do with finding affordable accommodation in London. I am sure that is reflected everywhere else.

The other issue that I touch upon before I conclude is that the mix of accommodation is currently entirely wrong. We need much larger accommodation. As has already been said, surveys show that 40 per cent. of housing should have four bedrooms and more. Yet we know that one of the reasons why accommodation has been built with much smaller units is that it is constrained by the overall costs of building larger accommodation. So we have to recognise that if we do move to a mix with a larger number of four and five-bedroom units, there will be a cost implication associated with that. It is necessary, however, because the failure to be able to move larger families is silting the local authority and housing association lettings programme. Unless we can move people, we will not be able to provide housing solutions to those in need.

The plea that I make to the Minister is to recognise the importance of housing in a London context. It is a critical issue. I welcome the objective of halving the numbers of those in temporary accommodation by 2010, but the only way that we will be able to do that—even taking into account all the other measures that have been suggested in the strategy—is to build more units, and a better mix of units, for socially rented, affordable accommodation.

10.24 am

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I congratulate my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) on securing this debate, and welcome my hon. Friend the Minister to his role and wish him every success for what I know will be a challenging and successful period.

The provision of affordable housing in London is crucial to the future health and well-being of the capital. Putting it in the economic context, we know that some of the problems that have been described in this debate are the products of the success of London in recent years, showing the dynamism and growth which have very much been its hallmark in the past, after a period of setbacks and decline in the 1980s and early 1990s. Some of these problems—rising house prices and increasing demand for accommodation—are the consequences of economic success, and we obviously have to respond to that. Equally, we must recognise that some of the problems are to do with past mistakes, such as unsatisfactory housing, which the Government inherited in 1997.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) highlighted the huge investment that has rightly gone into the backlog of substandard council housing, with which there has been good progress. The figures show that about 145,000 local authority homes in London that did not meet the decent homes standard have been brought up to that standard in the past eight years—an achievement of which the Government should be proud.

In my constituency, the Ferrier estate—the constituency of my hon. Friend the Member for Eltham (Clive Efford) just abuts that area—is in the early stages of a comprehensive regeneration scheme, designed to create a high-quality, mixed environment in place of the grim and stigmatised environment that was inherited, which was not a decent environment for people to live in. Similarly, with the challenge to provide more new homes, there are encouraging signs of progress. In 2004–05 in London, about 24,000 new homes were started and the same number completed. About 6,000 of those new starts and completions were provided by registered social landlords. Those figures are the highest recorded for many years, for new starts and completions and for the affordable housing component. In 1997–98, only 14,000 new homes were completed, of which about 4,000 only were affordable. So, as a result of the increased investment and more energetic policies pursued by the Government, we are seeing increases of between 50 and 70 per cent. in the output of new homes compared with the situation that we inherited from the Conservatives. The Opposition should take heed and remember just how poor their record was when they were in government.

The task is not only to provide more homes for general and affordable housing needs. We have learned from experience that playing the numbers game is unwise. Too many housing estates built in the 1950s, 1960s and 1970s and later—sadly, in some parts of the country, even some of the housing built in the 1990s—is having to be demolished or substantially remodelled because it failed to provide a decent environment for people to live in.

The challenge is to ensure that new homes are provided in a sustainable way, and that they create attractive communities with options to buy and to rent without the corrosive tenure divisions that scarred much 20th century housing. There are many good examples of that: the Greenwich Millennium village and the regeneration of the Woolwich Arsenal in my constituency are both exemplars of high-quality environments with options to buy and to rent, and for shared ownership; there is real interest in ensuring that they remain vibrant and attractive places in which to live for many years to come.

[Mr. Nick Raynsford]

We must also continue to drive up environmental standards by improving energy efficiency and avoiding the profligate use of land. Again, the Government have a good record on that, with two successive increases in the standards required by part L of the building regulations, some splendid exemplars in the highly efficient and attractive housing of the Peabody Trust BedZED development in Sutton, which has high environmental standards, and with a move to higher density development to maximise the use of brownfield sites. Before anyone suggests that that move may compromise quality, I remind right hon. and hon. Members that new homes are being built at densities less than those of the Georgian terraces of mid-18th century London, which are still seen as highly attractive and desirable places in which to live two and a half centuries after they were built. Let us not hear the argument that high density is incompatible with good quality.

One of the most important messages that needs to come out of this debate is the importance of providing housing for a range of needs. Most people, particularly young people, aspire to own their own home, so it is vital that we provide low-cost home ownership options, including options for key workers, on whom London's economy and social well-being is dependent. It is not sensible simply to try to replicate tenure patterns of 30 or 40 years ago. We need to continue to explore innovative schemes that allow people to acquire an equity share and which make it possible for them to increase their equity as circumstances permit. That would respond to aspirations and help to generate mixed-tenure communities rather than mono-tenure estates.

I welcome the Government's initiatives to further those objectives, including the £60,000 homes concept and the social homebuy concept. Equally, there is a need for more good-quality rented housing for those with no immediate prospect of home ownership. Decent-quality rented housing provided by councils or registered housing associations can make a world of difference to the lives and prospects of people who would otherwise have no opportunity of obtaining secure and decent homes.

I shall briefly address the issue of homelessness, which has rightly been raised. It is important to put it into context. The figure so often cited as evidence of the problem—30,000 homeless households accepted by local authorities last year—is in fact evidence of a positive response to the problem. Those households have not been left without anywhere to live but have been accepted by local authorities, and accommodation has been provided. That is partly the product of decisions taken by this Government, like the Labour Government of the 1970s, who legislated to extend the responsibilities of local authorities towards the homeless. Those decisions have led to an increase in the figures.

There is also the issue of temporary accommodation. Again, to put the subject in context, although 67,000 households are in temporary accommodation, almost 11,000 of them live in local authority and housing association homes, and 34,000 are accommodated in private sector lettings, generally by housing associations. That accommodation is usually much better than bed and breakfasts, and we should welcome the fact that the Government have moved to reduce dependence on bed and breakfasts and improve alternatives for homeless people. That is not to say that there is not a great deal more to be done, but the Government have a good record. I congratulate the Minister on what has been achieved and I hope that he will be committed to doing more over the coming years.

10.32 am

Sarah Teather (Brent, East) (LD): First, I congratulate the hon. Member for Hampstead and Highgate (Glenda Jackson) on securing this debate on an issue of enormous importance and interest to all London Members. I also welcome the Minister to his new post. It is with some trepidation that I speak after the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), whose knowledge of local government was widely respected and a little feared in his previous post. I will seek to emulate him rather more slowly in the post that I have moved to in recent weeks.

The difficulty in obtaining affordable housing dominates all surgeries for London MPs and affects people at all levels, from middle to low incomes. On my way home late last night, I spoke to a young teacher who was married to another teacher and has two young children. He told me that he would have to move out of Brent because of the difficulty of affording accommodation for his family as it grows. I meet many young people living in poor-quality rented accommodation. Brent has among the highest levels of houses in multiple occupation anywhere in the country.

The poorest are affected most acutely by the problems of obtaining housing, and it is to them that I now turn. As the hon. Member for Hampstead and Highgate said at the outset, although it is important to address people's housing aspirations and their need to own a home, that must not be at the expense of addressing housing need, because inability to get any house is a driver for social exclusion.

Brent is typical of most inner-London areas. About 20,000 households are on the housing list waiting to be transferred. One in 10 people living in my constituency live in overcrowded conditions—that figure includes the private sector and owner-occupied accommodation, but the number is one in six for local authority or registered social landlord properties. As other Members have said, the situation is just as bleak across London with some 280,000 households on the housing list, and 174,000 in overcrowded conditions, including a staggering 261,000 children.

As the hon. Member for Hampstead and Highgate said, about 62,000 households are stuck in temporary accommodation. The average wait to move from temporary to more permanent accommodation in London is just over a year, but that masks a huge variation. In Brent, the wait can often be two to three years, and I suspect that that is similar for other inner-London constituencies.

As the hon. Member for Islington, North (Jeremy Corbyn) said, we hear incredibly distressing stories week after week. Mum is depressed; dad is angry. The children do not thrive at school and often suffer from asthma because they live in overcrowded accommodation that is also damp because too many people are in too small a

house. I see many households in which one member of the family had TB, but because the house was overcrowded and damp, the whole family contracted it. They may be in temporary accommodation—perhaps moving from one hostel to another—and so have lost touch with their GP and drugs regime, meaning that the whole family has resistant TB.

Lack of housing breaks up families, destroys lives and ruins people's potential. The sacrifice that such families make is enormous and cannot be overestimated.

Shelter has examined the impact on families of being in temporary accommodation for lengthy periods. Around half said that their health suffered. Many children missed about a quarter of their schooling, and three quarters of families found that nobody was working, often because of the poverty trap to which the hon. Member for Tooting (Mr. Khan) and others referred. I was interested to hear about the pilot scheme run with the East Thames housing group, in which a top-slicing of housing benefit is given as a grant to registered social landlords. That brings down the housing benefit required by each tenant in an effort to release people from the poverty trap, because there is no way that people can return to work and afford high rents. I will be interested to see the results of that pilot scheme, and if it is useful, I hope that the Government will consider pushing it further.

As all hon. Members have said, the real problem with overcrowding is not just the lack of social housing being built but the fact that much of the build is one or two-bedroom units or even smaller. It is estimated that some 40 per cent. of social housing is required to have four bedrooms or more, but only 6 per cent. in the past 10 years has done so. As the hon. Member for Hackney, South and Shoreditch (Meg Hillier) eloquently said, we must encourage RSLs and local authorities to build large properties.

The resulting stress on councils is enormous. We have heard in the past week about the possible impact of councils acting as gatekeepers and preventing people from applying to be homeless and get access to housing. I have experienced that on an anecdotal level in Brent, and I have raised those concerns with the local housing department. I doubt that such action is directed from the top. Instead, I think that it is poor practice and the result of the extreme exasperation and stress that housing officers have to cope with, knowing that there are limited resources and struggling to prioritise. However, it is an extremely worrying trend.

Against that backdrop, the Government have introduced a number of schemes to make it easier for people to buy their own home. Until we tackle the problem of supply, all that we will do, if we are not careful, is inflate the market for everybody. In particular, we will fail to tackle the problem for those people who so desperately need social rented accommodation and who will never afford their own home. I am particularly concerned to hear that Ministers interfered with recommendations by the London Housing Board on the mix of affordable housing to buy and social housing to be built. I hope that that pattern will not be repeated.

If we are going to tackle supply, one of the first things that the Government must do is to honour their pledge to introduce the secondary legislation required to tackle empty homes. There are around 100,000 empty homes across London. When we have more than 60,000 people in temporary accommodation, introducing that legislation would go some way to tackle the crisis. We also need to tackle the inequity in VAT. I have heard from talking to engineers and architects that it is often cheaper to knock down a property than to renovate it. That is a ridiculous situation both environmentally and because it prevents many empty properties in a poor state of repair from being brought back into use.

We need to release far more land for building. There have been some welcome announcements from the Government, but the benefit is only trickling down. Rather than just looking at surplus and brownfield land, why do we not consider how appropriate the land's current use is? I know of an example in my constituency in which a primary care trust is holding a property to store medical equipment in one of the most expensive areas in the borough. That is nonsense: such land should be used for rebuilding. It is no good for Government Departments to hold on to land and speculate on its price. As other hon. Members, including the hon. Member for Eltham (Clive Efford), have said, we must allow local authorities more freedom to borrow in order to build.

Finally, if we are going to look at the costs of construction, we must put more investment into training construction workers. In most of west London, the further education sector is under extreme strain and cannot meet the demand for people who want and need that training. We must address that.

I thank the hon. Member for Hampstead and Highgate for securing the debate. It has been very useful, and I hope that the Minister will respond to the issues that have been raised.

10.40 am

Mrs. Jacqui Lait (Beckenham) (Con): I add my congratulations to those of others to the Minister on his new post. I do not know whether this is his maiden speech as a Minister, but I think that we have had a couple of other maiden speeches today, and I congratulate those Members. I hope that they have enjoyed the time that they have spent so far in the House of Commons. I congratulate the hon. Member for Hampstead and Highgate (Glenda Jackson) on having set out the problem so clearly. Perhaps it will surprise her when I say that her analysis chimes with mine, and with that of everybody here. It is spot-on. There is a problem.

We will probably differ on the prescription for the answer. I was interested that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), having had a good go at the Conservative Government, ignored the fact that when I became the Member of Parliament for Beckenham, the Groves estate—part of the Broomleigh housing association, which he advised when it became one of the earliest housing associations—was being renovated with money provided by the Conservative Government. Perhaps a touch of humility might be helpful if this debate is to remain as friendly as it might be. However, we have to address the problem; there is no argument about that.

Every hon. Member who has spoken this morning has used statistics. We agree with them, unlike many statistics—they are hard facts. The Shelter briefing was

[Mrs. Jacqui Lait]

first class, and it made clear the amount of hidden homelessness. Many speakers—I think that they all represent inner-London constituencies—have mentioned that in terms of overcrowding. That is another problem that I share with every right hon. and hon. Member. I speak for an outer London borough, but between a third and a half of my constituency cases are also about housing. They are to do with issues such as overcrowding and lack of larger homes, so I share the problems of other hon. Members, and I feel for my constituents who are suffering in exactly the way indicated by the hon. Member for Brent, East (Sarah Teather). We all see problems such as the prevalence of asthma in children, and the distress, stress and break-ups that families suffer.

What was most interesting was that, although the analysis of the problems in London was clear, further consideration was needed if there is to be a broader understanding of the need for flexibility in the whole of the housing sector. For instance, there were passing references to people coming in to London, as opposed to the poor having to move out. One of the problems with the Government's analysis is that it is assumed that there will be a net influx into London. It was ever thus. There is another Scottish accent here as well as mine, which is that of the hon. Member for Edmonton (Mr. Love). We represent the influx from, dare I say, a few decades ago.

Mr. Love: Not too many.

Mrs. Lait: No, just a few. However, we accept that there is potentially a net increase. That prompts the question, which is why there is not a more dynamic regional policy to encourage highly-paid, high-quality jobs in the areas in which the Government are planning to knock down viable Victorian terraces in cities in the north? Interestingly, nobody has mentioned the Thames gateway. That development could have a significant impact on London housing in that it might release the pressure on many of our constituents. We have to ensure that it is a real development.

I do not know whether the hon. Member for Edmonton comes from Glasgow, but I am sure that he has heard of Easterhouse. Those of us who are old enough to remember the building of Easterhouse, among whom I put myself, will know that that monumental estate was built on the outskirts of Glasgow for all the right reasons, but that no infrastructure was built with it. There were no churches, there were no pubs and there were no shops.There was the bus in and the bus out. We are still dealing with the social problems from that building half a century ago. There have been wonderful charitable efforts to create communities. Subsequently, money was poured in to build community halls and to try to create a community, but the society had already fractured.

What worries me about developments like the Thames gateway is that, however mixed the housing pattern might be, the social infrastructure might not be included. One of the concerns that we are picking up is that the Government are not planning to ensure that there will be the GP services, the health services and the schools—that there will be the social infrastructure to create the community. What we cannot afford to have on the outskirts of London is a new potential Easterhouse. If the Minister can assure us that that infrastructure will be part of the development, which the Government are planning to pay for, then I think we will be reassured. I am sure that all our constituents will also feel the pressure coming off as that development proceeds.

On the pan-London letting system, asking my constituents who find themselves homeless or in bed and breakfast or overcrowded accommodation where in the borough of Bromley they want to go, nine times out of 10 they want to stay in the same street in which they are living. They will not even readily move to other parts of the borough of Bromley. I do not think that we can assume that a pan-London letting scheme would be the panacea for all ills.

Returning to some of the more practical and immediate problems, I agree with those who want to see more three and four-bedroom houses being built. To do that, we need to free up the housing association sector, in order to access more private money, not necessarily so that the associations can sell houses—even on a shared equity or any other basis—but so that they can have access to the capital that they need. Then they can build more readily than when just relying on the Housing Corporation.

We need to extend the key worker purchasing scheme, not just to key workers, but to anyone who wishes to buy. As the right hon. Member for Greenwich and Woolwich said, people aspire to own their own homes and we must not put barriers in the way of their doing so. By limiting people's ability to get on a shared equity scheme, we are setting a barrier. While I accept the analysis that has so readily come out and that we all share, we have to ensure that the Government do not put barriers in the way of people.

We should be looking at more brownfield site development, as the hon. Member for Brent, East said. So often the pressure in the outer London boroughs is coming on greenfield sites. Green belt is significantly under threat. We must work with the tenor of the housing market and not impose on it. We have seen and suffered from the problem where the Government have dictated to rather than worked with the housing market. I hope to hear from the Minister that that is the reform that the Office of the Deputy Prime Minister will be bringing forward, to ensure that we have a flexible market that will allow those people who wish to buy to buy, and those people who wish to rent to rent, either privately or in the social rented sector. However, at present, as we can all see, there is a crisis in the social rented market. I look forward to hearing how the Minister plans to solve it.

10.49 am

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): I welcome you to the Chair this morning, Mr. Cummings. I also thank colleagues for their contributions to this important debate.

I shall try to answer some of the questions asked and to respond to points raised by hon. Members. If I do not cover matters adequately, naturally I will write. I will try to fit some closing remarks into the brief time that is left, if there is any.

I will begin by expressing gratitude to my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) for securing this debate on such an important issue. The Government attach considerable importance to increasing the supply of affordable housing, particularly in the capital. I therefore welcome the opportunity to listen to the views of right hon. and hon. Members and to respond. I am especially pleased as this is my first 90-minute Adjournment debate in Westminster Hall as the Under-Secretary of State, Office of the Deputy Prime Minister. I suspect that it will not be my last. I therefore express my appreciation for their generous words of welcome.

I will express our collective appreciation and acknowledgement of all of those working in the capital to improve housing in London: Mayor Livingstone, the London boroughs, the Association of London Government, the Government office for London and the London Housing Board. I also welcome the non-governmental organisations in the field: Shelter, which was mentioned several times, Crisis, and others.

My hon. Friend the Member for Hampstead and Highgate made comments about the Dickensian approach to overcrowding, to which we obviously do not want to return. That was also raised by my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier). I recognise that we have an outstanding commitment to publish a consultation paper on the statutory overcrowding standards. We fully intend to do so in the near future, and that will address the question. I further appreciate the need for larger units for overcrowded households as well as the need to provide a balance of smaller units for single people, the homeless, and other families. More than a quarter of the social rented units in the Housing Corporation's approved development programme for 2004 to 2006 are homes with three bedrooms or more. I believe that the London Housing Board is examining the need for larger units. We are waiting to see how that will be reflected in its funding recommendations for 2006–08.

My hon. Friend the Member for Hampstead and Highgate also raised the need for pan-London lettings. I hope that she knows that the Government set targets for all local authorities to introduce choice-based lettings by 2010. We are keen on the development of sub-regional and regional choice-based letting schemes. I am pleased to say that London is ahead of the rest of the country in introducing choice-based lettings and that 21 London boroughs already operate such schemes. Three boroughs have plans to introduce them this year and seven others are actively considering introducing them. I understand that the London housing strategy, which is due to be published shortly, contains ambitious proposals for a pan-London choice-based letting scheme.

My hon. Friend also referred to children in temporary accommodation. The number of people living in such accommodation is too high; the figure stands at 101,000. Our strategy "Sustainable Communities: settled homes; changing lives" will, we hope, halve the number living in insecure temporary accommodation over the next five years. However, most people already in temporary accommodation live in self-contained flats or houses; indeed, 90 per cent. of families have their own front doors, which is a great improvement. We have ended the scandal of homeless families with children living for too long in poor-quality bed and breakfasts. We recognise that there have been improvements and that much has been done. I will comment further on that later.

My hon. Friend also raised the fact that there is not enough private rented housing. There are a number of initiatives in that area. I will discuss them shortly, and if she will allow me, I will write to her elaborating on them.

My hon. Friend the Member for Tooting (Mr. Khan) raised the similar problem of the need for more social rented housing. While we recognise that we provide a range of affordable housing options, we acknowledge the need for that important sector to receive the attention that it deserves in due course. The funding provided in the 2004 spending review will, along with efficiency improvements, produce 75,000 social rented homes across England by 2008. That represents a 50 per cent. increase by that year.

My hon. Friend the Member for Eltham (Clive Efford) raised the issue of the role of local authorities in regenerating local housing estates. He will know that in 1997 we inherited a backlog of repairs for social housing that was estimated at costing £19 billion and involving 2 million non-decent homes. We have already refurbished and improved 1 million to decent standard and we are on target to ensure that we refurbish the others. "Sustainable Communities: Homes for All", the five-year housing strategy of the Office of the Deputy Prime Minister, includes proposals for estate renewal schemes that involve the large-scale refurbishment and development of local authority or registered social landlord housing stock that can support the establishment of more mixed and sustainable communities. I am sure that my hon. Friend will closely follow that.

One of the points raised by my hon. Friend the Member for Islington, North (Jeremy Corbyn) was the exploitation of the right to buy. The Government have addressed that in a number of ways: by cutting the discounts available to local authority areas; by extending the qualification period before purchase is available; by extending the discounts repayment period from three to five years; by changing repayment calculations; and by exempting dwellings scheduled for demolition. I can provide further examples, and I will write to my hon. Friend on this matter, if he wishes me to do so.

I welcome the hon. Member for Brent, East (Sarah Teather) to her post. She made the accusation that Ministers were interfering with the recommendations of the London Housing Board. In response to it, I say to her that the regional housing board recommendations and allocations for 2004–06 were largely accepted in full, although some changes to the balance of funding for different types of affordable housing were made for London and the south-east in order to meet the 2002 spending review commitment to spend £1 billion on key worker housing in the three years to 2005–06 and to help recruit and retain front-line essential workers for the delivery of key services. The hon. Lady also mentioned the East Thames housing group's housing benefit block grant initiative, which is under way; I am watching that carefully, and I will write to her about it.

[Jim Fitzpatrick]

The hon. Member for Beckenham (Mrs. Lait) raised questions about the Thames gateway social infrastructure. Having attended a meeting only yesterday with the London Mayor, Ken Livingstone, and my hon. Friend the Minister for Housing and Planning, I can assure the hon. Lady that those issues are being addressed, and also that the Government will make their contribution to the building of sustainable communities in east London.

The target for the supply of housing to begin to meet London's housing needs is set out in the Mayor's London plan. The target is for at least 23,000 homes per year from all sources, and the aim is to get that figure up towards 30,000. The London plan has set the strategic target that 50 per cent. of new homes in London should be affordable. The Government are committed to increasing the supply of housing, including affordable housing, which is why, since 1997, we have doubled the funding available for affordable housing to £2 billion in 2007–08. That is a considerable increase, and it should be compared with the capital fund reduction between 1993 and 1997—it was halved.

With the funding provided in the spending review of 2004, along with efficiency improvements, we will produce 75,000 social rented homes by 2008. We are also providing an extra £500 million in 2006–08 for housing private finance initiative schemes, on top of the existing £360 million per annum housing PFI programme, and will also deliver £160 million in efficiencies on new social housing procurement in the period to 2007–08.

In London, we are investing almost £1.5 billion to provide 21,000 affordable homes. That includes 10,000 homes for rent for homeless and poorly housed households, and 4,000 units for low-cost home ownership schemes. It will also provide 7,000 homes under the key worker living programme for key workers in front-line public services who are an essential part of our efforts to improve standards in hospitals and schools, and to win the fight against crime in London.

My hon. Friend the Member for Edmonton (Mr. Love) raised the homelessness problem. The latest statistics were published on Monday, and they are encouraging. There has been a 20 per cent. reduction in the number of people becoming homeless. The figures show homeless acceptances falling by nearly 7,000 compared with the same period last year, and the number of people becoming homeless has continued to decrease nationally for over a year.

What has that meant for London? Encouragingly, London is in line with the national trend, and acceptances have dropped by 18 per cent. The figures are down from 7,400 to 6,060; that is very welcome. New homelessness strategies, and about £20 million of homelessness grant investment this year, has led to boroughs in the capital city making a real difference; they are preventing homelessness through initiatives such as rent deposit schemes and mediation schemes, sanctuary schemes for the victims of domestic violence, and by ensuring better access to the private sector.

With regard to the Barker review and the longer term, we have accepted Kate Barker's central recommendation that there should be a step change. That phrase was used by my hon. Friend the Member for Islington, North; after eight years of a Labour Government he is clearly getting into the swing of things with the Administration. That step change will have a significant effect on housing supply.

We are also taking action to speed up the delivery of housing by transforming the planning system to make it faster, more responsive and more effective, and we shall make £600 million of planning delivery grant available over the next five years.

Mental Health (Incapacity Benefit)

11 am

Chris Bryant (Rhondda) (Lab): I am delighted that all Members with constituencies in London are staying for this debate because it is of such interest to them.

Incapacity benefit is claimed by roughly one in five people of working age in my constituency, so its reform will probably be one of the most important issues for my constituents over the next few years. That is true of nearly all the former mining constituencies—not only in south Wales, but across the whole country.

One of our biggest problems relates to those who suffer from mental health problems and are on incapacity benefit. According to the figures, 920,400 of the 2,398,700 people who claim it are on incapacity benefit because of mental health problems. In other words, 38 per cent. of people on incapacity benefit across the UK are on it because of mental health problems; that is the largest group by a considerable way. The next largest group is made up of those with musculo-skeletal problems, who represent only 20 per cent. of those on incapacity benefit.

If we are to tackle the ongoing problems with incapacity benefit, we shall have to look closely and analytically at issues of mental health as they affect incapacity benefit. Part of the problem is that only 24 per cent. of those with mental health problems in this country are in work; that is the lowest level of employment among all the disabled groups. If we want to care best for those who suffer from mental health problems, we need to find a way of getting them into work.

The category of mental health problems covers an enormous range of issues, from schizophrenia to anxiety, stress, depression and alcohol and drug dependency. The most recent figures on how much the different mental health categories cost in incapacity benefit are for the year 2003–04. Phobic anxiety disorders cost £282 million, reaction to severe stress £103 million, depression—whether episodic or long-term—£1.036 billion and other mental health problems £613 million.

It is interesting that incapacity benefit claims for stress and depression have grown dramatically during the past eight years, despite the fact that most surveys of mental health in the UK suggest that there has not been a dramatic increase in the number of people suffering from them. That may be because these days we have a greater understanding of stress and depression and the effect that they can have on people, or for a series of different reasons, but some research still has to be done.

We know that during the past 10 years there has been a significant increase in mental health problems in one area: that of alcohol dependence. That increase has put severe stress on some of the alcohol and drug dependency treatment services, although I am glad to say that their capacity has risen significantly during the past 10 years. However, that is just a small part of the equation. If the Government are serious about mental health issues and if they are to get more people into work, they will have to look at this nugget of people dealing with severe stress and depression.

We could just say, "These people have mental health problems and the state should be generous to them. After all, we want to make sure that people have adequate finances and are able to care for themselves whatever disability they have. What is the problem?" Well, there is a problem. One in six men who are out of work for six months will develop a serious mental health problem—in fact, probably a major depressive illness. When I say depressive illness, I do not mean somebody feeling down on a Friday afternoon or Monday morning, but a serious depressive illness. We have a duty to try to ensure that as many people as possible get into work because, on the whole, it is the best route towards sound mental health.

We have a vicious circle. So often, when someone goes on to benefits they find their life very circumscribed. They are no longer in a working environment; they no longer have a social life connected to work. Their income is very limited. All of that adds anxiety and stress to their situation. That can perpetuate the cycle of depression and exacerbate mental health problems. It is a well documented fact that quite a lot of people come on to incapacity benefit with other conditions—perhaps musculo-skeletal problems—and, by virtue of being on incapacity benefit for six months, a year or two years, end up developing a mental health problem either as well as, or instead of, the original problem that made them incapable of seeking work. We must turn around that vicious circle.

Another problem is that the system is open to abuse. I do not subscribe to the sneering attitude that some newspapers have adopted towards stress and depression, because they are very real conditions. The system is, however, open to abuse. In most of our constituencies, the surface does not have to be scratched to find examples of people who are swinging the lead and playing the game for all it is worth. Unfortunately, because this area is perhaps less immediately identifiable, it is all too easy for that to happen. Why is that a problem in itself? Not only because fraud is obviously wrong but, more significantly, because it undermines the whole system of incapacity benefit and the generosity that we should rightly afford to those who are genuinely disabled.

We also know that a person who is on incapacity benefit is 35 times more likely to commit suicide than someone who is in a job.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I congratulate the hon. Gentleman on raising this issue. One of the problems in this field is the fact that the forms available for incapacity benefit rely on physical descriptors of illnesses, rather than what the hon. Gentleman is now addressing.

Chris Bryant: I absolutely agree with the hon. Gentleman. This is an example of where the Government need to look specifically at the cohort of people who are on incapacity benefit—not in any retributive way, or to try to assault the figures, but simply to assist us in helping people achieve what they, mostly, say that they want. In fact, of all those on incapacity benefit, the category of people who are most likely to say that they would like to get into work are those who are on it for mental health reasons. So the more we can do to ease the system—to offer incentives so that people can get into work, and make it possible for them—the better.

I shall now say where I suspect that some of the answers may lie. First and foremost, we still need better and more mental health services. There has been a step

[Chris Bryant]

change in the last eight years, and I would like, briefly at least, to blow not only the Westminster Government's trumpet but that of the Welsh Assembly Government. They have invested a considerable amount of time, effort and money in improving our mental health services. We now have 25 per cent. more consultant psychiatrists, 42 per cent. more clinical psychologists and 13 per cent. more mental health nurses, which is excellent.

We still have a problem of recruitment and retention in mental health services, however. It is a very stressful area of work. Eleven per cent. of clinical psychologist places are still vacant. We have a considerable way to go to ensure that we recruit and retain more people in the service.

Part of the problem is that it is all too easy for the media to create a degree of hysteria surrounding every single incident where someone who has been seen by the mental health services is involved in some kind of violent attack. Somehow or other, the newspapers end up blaming the psychiatrist, the consultant psychiatrist or the hospital, whereas, in many of these cases, the chaotic lifestyle of the individual makes it very difficult to provide adequate and suitable mental health services. We need to retreat from the culture of blame that sometimes surrounds this issue, if we are to make sure that we recruit more.

Mr. Wayne David (Caerphilly) (Lab): A moment ago, my hon. Friend referred to the National Assembly for Wales, which is putting more emphasis on economic development at the tops of the south Wales valleys, the area in which there is the greatest concentration of incapacity benefit claimants. Does he recognise the important link between what happens here at Westminster at an all-British level and the Welsh Assembly in respect of economic development and reducing the number of people on incapacity benefit?

Chris Bryant: Absolutely. My hon. Friend makes a good point. Given that his constituency is a near neighbour to mine, he knows about the issues in my constituency. It is no coincidence that the areas with the highest level of incapacity benefit in the country were formerly mining or shipyard constituencies. That is why it is incumbent on the Government to take a holistic approach in Scotland, England and Wales to bring together the agencies that can make a difference.

In Wales, the NHS spends 12 per cent. of its budget on mental health services, which is a higher percentage than in England. I congratulate the Welsh Assembly on such action because it is all too easy to forget mental health services. Pressure is often on to provide more money for a hospital or acute services, not mental health services, so I applaud what the Welsh Assembly has done. Rhondda has a new drug and alcohol rehabilitation unit in Llwynypia. It has cut the waiting list for drug and alcohol dependency treatment enormously from about 18 months—if people were allowed on the waiting list four years ago—to about three or four months. We still have some way to go to reduce the waiting list for treatment to three or four weeks, which is what I want.

I applaud the fact that such a service is in place, but we still have significant difficulty in providing other therapies that can make a real difference to people's lives, such as counselling and psychotherapy. They might be available in Chelsea, Westminster or other parts of the country, but not on the doorstep in the south Wales valleys. It is well documented that we still need more support in such matters and one of the difficulties of achieving it is that we already have a population, especially the men, that does not like to talk about such issues. Young people tend to self-medicate with alcohol and drugs, and that causes bigger problems. The danger that stems from such action is that the only game in town is the taking of antidepressants. While such drugs have played a significant role in improving mental health over the past 15 years, I believe that we pop pills too readily and we need to find other ways in which to tackle the problem.

If we are to deal with the problem, changes must also be made to incapacity benefit. Through the pathways to work programme that was piloted in Bridgend and Rhondda, the Government were right to give incentives to everyone on incapacity benefit to gain employment. That is just as true for those with mental health problems because part of the danger in the past has been that attending work is regarded as much riskier financially than being on benefit, because that is guaranteed. That is particularly so because rates increase when people have been recipients of benefit for more than a certain period. The danger is that people have been frightened out of starting work because, if they lost their job, they would have to start at the beginning.

The Government have been absolutely right to change the rules and to put in place return-to-work credit, which makes it possible for many people to attend work as well as making work financially attractive. We should provide mental health training for all staff involved in the pathways to work programme who carry out job-focused interviews. If issues arising from stress and depression are not properly understood by the people on the front line, they can be made worse by the process of undertaking a job-focused interview.

We must also integrate mental health services into the pathways to work programme much earlier in the system. Will the Minister explain whether the Department has carried out research into how the own-occupation test—the test that allows a person to be in receipt of incapacity benefit and one that is usually adjusted on the basis of the person's own statement and that of a general practitioner—works specifically for those with mental health problems? My suspicion is that it is all too easy for a GP to sign the person off and say, "Oh, go on to incapacity benefit," instead of providing time and ensuring that they receive counselling or psychotherapy support. That may not be the right thing for the person's mental health, let alone their life.

The final thing that we still need to change is the culture of despair that sometimes surrounds mental health issues. Old-fashioned attitudes to mental health have improved over the past 15 or 20 years. The number of hospital beds for people with mental health problems has gone down dramatically. Some people may say that that is terrible, but I think that it is a good thing. In the past, we used to lock up people with mental health problems. We have now learned much better strategies

for providing them with a life in the community. Sometimes the community is not quite ready for that, and there is always more work that we can do in that respect, but we need to ensure that the old cliché of mental health services being a Cinderella service is genuinely something of the past.

We also need to put an end to the sneering attitudes that all too often pervade this issue. It is pointless to say, "Stress and depression don't really exist. People are just saying that they want to go on incapacity benefit because they can't be bothered to work." That attitude will never help us to achieve the real change that we need and which people with mental health problems need—opportunities for them to get into work.

The issue of mental health problems is not just about what people once might have thought of as the mad or the bad; it affects nearly every family in the land. I hope that, over the coming months, we see changes to the incapacity benefit system that will allow more of my constituents who have mental health problems but would like to get into work, to achieve that goal.

11.17 am

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I congratulate my hon. Friend the Member for Rhondda (Chris Bryant) on initiating the debate. I also thank the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and my hon. Friend the Member for Caerphilly (Mr. David) for their contributions; I shall pick up on the two points that they made. The speech by my hon. Friend the Member for Rhondda highlighted not only his assiduous research on this matter, but his commitment to dealing with some of the complicated issues involved. The concern that he expressed is what anyone who examines these issues comes to feel.

I think that we all agree that addressing the number of people with mental illness on incapacity benefit is one of the biggest challenges that we face. As my hon. Friend mentioned, nearly 1 million people are on incapacity benefit because of a mental or behavioural disorder. That means that there are now more mentally ill people claiming incapacity benefits than there are people on jobseeker's allowance. Overall, mental health problems account for 30 to 40 per cent. of work-related health problems, sickness absence, long-term incapacity and early retirement.

It is fair to say that that situation imposes a heavy cost on us all. Estimates vary, but it could be anything up to £45 billion a year. For example, the CBI estimates that there is lost output of £4 billion a year from time off sick because of depression. The lower employment rate for people with mental health problems, which my hon. Friend highlighted, implies further lost output of £9 billion. Public expenditure on mental health services accounts for a further £8 billion. We also have to add the cost of state benefits and the time given by carers.

Of course, those figures do not even begin to describe the impact on the individuals involved, whose loss of employment can often exacerbate their mental illness. The Government genuinely believe that we can and must start to address the issue seriously. Huge numbers of people with mental health problems suffer misery and social isolation. It is the job of any Government to empower such people to take back control of their lives.

Our approach is not to stigmatise that group of people further by blaming them and labelling them as workshy or feckless or to call them fraudsters. I know that my hon. Friend has sympathy with that approach.

Despite what one might believe from reading some of the more lurid headlines in the tabloid press, there has not been a big rise in the number of people coming on to our books with mental illness. In 1997, 220,000 people a year started to claim incapacity benefit on the basis of a mental health condition. In 2004, the figure was 233,000.

As my hon. Friend highlighted, people with mental or behavioural disorders make up about 39 per cent. of IB claimants. The overall rise in the number of people on benefits with mental health conditions is quite simple to explain—indeed, I think that my hon. Friend alluded to it: it is difficult for them to get back to work. That is often because of a lack of support to help them to cope with their condition and move back to work. Sometimes it is because of the wider benefit and work-related barriers that they face, which my hon. Friend mentioned. We cannot estimate the size of the significant problem of lack of understanding by employers and fellow workers. Although they have a strong desire to work again, employment rates for people with mental health conditions are low. The labour force survey shows that people with mental health problems have the lowest employment rate of any disabled group. That is doubly concerning because there is increasingly good evidence that work could be part of the recovery process for people with mental health conditions.

Mental health problems can become much worse because of the isolation and loss of status that accompanies long-term unemployment. Many who start with chronic, pain-related conditions such as back or neck pain end up developing secondary mental conditions such as depression over the years.

To help people make the transition back to work, we need to ensure that the right services are available in jobcentres, GP practices and the wider NHS, and among employers; and there should be greater co-ordination of those services, with GPs supporting patients alongside employers, helping them to focus on the return to work and allowing them back into work whenever possible. We also need services in the wider NHS to help people to manage their conditions, and at jobcentres to help them find work. I assure my hon. Friend that we are starting to do that.

In the Department for Work and Pensions we have started to change fundamentally what it means to claim IB, particularly through the pathways to work initiative. In that respect, I want to reassure the hon. Member for Meirionnydd Nant Conwy regarding some of the tests for people with mental illness going on to IB: those capacity tests seriously take into account the impact of mental health conditions on people's capacity to work, and were drawn up in consultation with the Institute of Psychiatry to ensure that we did not miss anything. Through that initiative, we have started actively to intervene and support people back to work.

My hon. Friend the Member for Rhondda may be interested to note that when the pathways initiative was designed, we had the experiences and issues of people with mental health conditions at the forefront of our mind. The initiative offers a combination of sustained

[Mrs. Anne McGuire]

and highly skilled personal adviser support to people to stay engaged with the idea of getting back to work. I assure my hon. Friend that all pathways personal advisers get a full training package, which includes mental health awareness, so we are starting to look at some of the issues that he highlighted.

There are new NHS condition management programmes, which help people to understand how to manage their mental and physical health conditions more effectively, and to develop positive coping strategies to avoid or reduce the occurrence of depression or pain.

I can tell my hon. Friend the Member for Caerphilly that I was in the Rhondda not long ago, helping the First Minister, Rhodri Morgan, with the launch of a joint initiative between the Government and the Welsh Assembly called "Want to Work". That initiative is about trying to ensure that whenever possible we co-ordinate our efforts in support of the individual. As my hon. Friend said, there is no point in different pockets of work being done unless they are pulled together in the best interests of the individuals concerned. That work has already been started, and similar work is being undertaken by the Scottish Executive.

We are looking at improved financial incentives to ensure that, in most cases, work pays much more than benefit. We want to encourage local GPs to be supportive and take a more proactive attitude to people's fitness to work. During my visit to the launch of "Want to Work", a general practitioner from the area highlighted the fact that he had become part of a system that signed people off sick without understanding the impact on the individual or knowing what that person did. One of the great liberating things for him, now that he is working with Jobcentre Plus and employers and dealing with other aspects of the health service, is that he can take a far more holistic approach to what is good for patients who are claimants and long-term unemployed. I found that most encouraging.

Lynne Jones (Birmingham, Selly Oak) (Lab): Will my hon. Friend give way?

Mrs. McGuire: No; I need to respond to my hon. Friend the Member for Rhondda.

Pathways continues to show extremely encouraging results and it is making a profound difference to the lives of many people on IB with mental health conditions. Hon. Members will, I am sure, be aware of a number of case studies, but I shall highlight one. Kathy last worked more than 20 years ago; she had severe depression and anxiety, and she had to care for a disabled child. When it came to employment, she felt that she had been abandoned. Her personal adviser at Jobcentre Plus referred her to the local NHS condition management programme to improve her confidence and to help her cope with any negative feelings. At the end of that programme, Kathy had the confidence to apply for a post in a local nursing home as an events organiser. She loves her new job, and is apparently £4,000 a year better off than when she was on benefit. I am sure that many similar stories could be told by people throughout the country.

As Jobcentre Plus is raising its game, so is the NHS. The mental health service has improved greatly over the last five years as a result of the national service framework and additional funding. New treatments have been introduced and new workers are being recruited and trained; in particular, staff are being trained and employed by GPs to deliver cognitive behavioural therapy. In 2004, the National Institute for Clinical Excellence published guidelines on depression and anxiety, strongly supporting the case for cognitive behavioural therapy. Those who are knowledgeable in such matters are aware that that is a far more effective method than other talking therapies such as psychotherapy or counselling.

In addition, the Health and Safety Executive is focusing on improving awareness of best practice in sickness absence management. We have extended the Disability Discrimination Act 1995 to remove the need for mental illness to be "clinically well-recognised". That was a great leap forward in working with people with mental illness. The HSE has a crucial role in managing sickness and in encouraging employers to look at ways to manage sickness absence in order to ensure that people do not get to the point of needing incapacity benefit. We must work more closely on that.

None of that takes away from the need for a profound change in how we look at incapacity benefit during the rest of this decade. The comments of my hon. Friend the Member for Rhondda and other hon. Members will be most helpful in developing the Green Paper that is due to be published later this year. Finally, I reassure my hon. Friend that we share his commitment to addressing issues that unnecessarily blight the lives of so many people and so many communities.

11.29 am

Sitting suspended till half-past Two o'clock.

Human Rights (Burma)

2.30 pm

John Bercow (Buckingham) (Con): I am delighted to have secured this debate on the important subject of human rights, or perhaps I should say their violation, in Burma. I begin by declaring my interest, duly recorded in the register, as parliamentary adviser to Christian Solidarity Worldwide.

The timing of this debate could hardly be more apposite or opportune. On 19 June, Aung San Suu Kyi, Nobel laureate and leader of Burma's democracy movement, will have spent nine years and 238 days in detention and she will celebrate, if that word can be used without absurdity, her birthday. She has long ceased contact with members of her family and representatives of the international community. Her post is intercepted, her telephone is unavailable for her regular use, and much-needed medical treatment has been denied. Her situation is serious indeed.

Right hon. and hon. Members will recall that towards the end of the last Session—on 1 December, if memory serves—an early-day motion was tabled on a cross-party basis and secured 289 signatures. That motion paid tribute to the championship of democracy, freedom, justice and human rights by Aung San Suu Kyi and called for the establishment of meaningful talks with a view to a speedy transition to democratic pluralism in Burma.

When we talk about abuse of human rights, we think often of Iraq under Saddam Hussein, Sudan under al-Bashir, and Zimbabwe under Robert Mugabe. We should think of Burma more readily than we do, because there is no doubt that the military junta that rules Burma and has continued to flout its people's views is one of the most savage military dictatorships to be found in the world. The record is well established, the documentation has been provided and the evidence has been regularly collated, but let the argument be reiterated so that we are clear and so that outside observers unfamiliar with the historical record are in the know.

Rape as a weapon of war, extra-judicial killings, compulsory relocation, forced labour, the use of child soldiers and human minesweepers, and the daily destruction of rural villages, especially in eastern Burma, are all part of the cocktail of barbarity that has disfigured that beautiful but long-suffering part of the world. The use of child soldiers in Burma is on a scale proportionately greater than in any country in the world. The suffering is immense. The situation in Burma is not simply a matter of historical events about which there is continuing argument. The crisis is real, the atrocities continue, the pain is now. In the past 12 months or so, there have been continual attacks by the Burma army—the Tatmadaw—on the Karen, the Karenni, the Shan and the Chin people, to name but four examples of ethnic nationals targeted, vilified, attacked, maimed, disfigured, raped and murdered on the deliberate say-so of the so-called State Peace and Development Council, the name of the ruling regime.

It is salutary to note that, on the advice of an American public relations company, I believe, the governing body of Burma changed its name from the State Law and Order Restoration Council—otherwise and perhaps more fittingly known by the acronym SLORC—to the State Peace and Development Council. When I was a young boy first taking an interest in politics, I asked my father what I thought was a simple but valid question. "Dad," I asked, for I regarded him as the fount of all knowledge and wisdom, "Why, given its reputation for human rights abuses, is the German Democratic Republic so called?" He sagely replied, "Ah, son, it is called the German Democratic Republic precisely because it isn't." There is a sense in which that is true in respect of the Burmese Government. Military offensives, not only against army opponents of the regime but against unarmed, innocent and non-political civilians, are a fact of life. We are talking about a 100,000-strong army attacking villages.

Visiting the Thai-Burmese border last year, courtesy of Christian Solidarity Worldwide, was one of the most harrowing experiences of my life. I met parents who spontaneously volunteered to me that they had seen their children shot dead in front of them. Similarly, I met children who told me spontaneously that they had seen their parents shot dead in front of them. That is the scale of the savagery and wanton destruction of which the Government of Burma are guilty.

The sources of evidence are many, respected and compelling: they include the United States State Department, the United Nations, Amnesty International, Human Rights Watch, Christian Solidarity Worldwide, the Free Burma Rangers, the International Labour Organisation, the Karen Human Rights Organisation and the Shan Human Rights Foundation. The evidence is all on the record and documented, and the papers have been provided. Governments throughout the European Union and in north America and UN member states have been told of what is happening in Burma. I believe that the abuse of human rights in Burma is the most shameful and under-reported such abuse to be found anywhere in the world.

New evidence has recently been provided by Mr. Guy Horton, the author of a new report, which he calls "Dying Alive: A Legal Assessment of Human Rights Violations in Burma". Mr. Horton, who has presented the evidence in Washington and will shortly do so at a press conference in London, argues that the Government of Burma are guilty of human rights violations that contravene three important protocols and public declarations. He argues that the regime is guilty of, first, crimes against humanity under article 7 of the Rome statute of the International Criminal Court and, secondly, breaching common article 3 of the convention on refugees. He concludes, that in addition to those crimes against humanity and war crimes, the Government of Burma are guilty of attempted genocide under the convention on the prevention and punishment of the crime of genocide. That is an extremely serious charge. My understanding—the Minister will tell me if I am wrong—is that the British Government are not currently persuaded that the evidence constitutes proof. I hope that they will be prepared to look at that further when they have the chance to study the detailed report.

There is also serious concern about reports in the past few months of what circumstantial evidence suggests was either a chemical or a poison weapons attack on an army resistance camp in Karenni state. Independent medical examinations of residents of that camp have led to the conclusion that they have symptoms of what

[John Bercow]

appears to be illness resulting from a chemical or poison weapons attack. We have heard about the explosion of shells, a sinister disgusting yellow vapour, and the consequences for the people in the camp of severe irritation to the eyes, damage to the lungs, a marked deterioration in the muscles and a period of prolonged weight loss, to name but four of the symptoms. We have also heard testimony from army deserters that they were instructed by their controllers in the Tatmadaw to carry boxes containing poison weapons. It is incumbent on the British Government proactively to consider the evidence and either satisfy themselves that it is compelling and that referrals of identifiable suspects to the International Criminal Court should take place forthwith, or decide that that they are not so satisfied, in which case the Minister has a responsibility on behalf of the Government clearly and openly to explain to the House why they are not persuaded by what appears to be compelling evidence.

Let us, briefly—I am conscious that many hon. Members in the Chamber wish to take part in the debate and have serious and informed contributions to make—look at the overview of the position in Burma. I have deliberately not subjected the Chamber to a history lesson about what has happened in that country. Many people present will be familiar with the brutality of the regime over the past four and a bit decades. They know only too well that the results of the 1990 elections, in which the National League for Democracy was manifestly victorious, were ignored by the Government, who are absolutely hellbent on retaining the aggressive and intimidating power of the military component of the regime.

There were a few cursory and tokenistic releases of prisoners from jails not long ago, which were trumpeted by the regime and its naive or malign agents as constituting evidence of a dramatic march towards the democratic process on the part of the regime. Of course, they were nothing of the sort. The truth is that there are still between 1,300 and 1,400 political prisoners or prisoners of conscience incarcerated in varying conditions of severity and deprivation in Burma's jails. The offices of the National League for Democracy remain shut and there is not the slightest sign of the release of one of the heroines of the struggle for freedom, justice and democracy in the world today, Aung San Suu Kyi.

The regime, typical of authoritarian and, worse still, totalitarian regimes, spends a vast proportion of its national budget on the military, but spends, I believe, 19p a year per person on the health of the people. In those circumstances, it is not surprising that one in 10 children in Burma do not survive beyond the age of five. That is an horrendous state of affairs.

When I think about the reports of domestic organisations on the ground whose representatives I was privileged to meet last year, I think that we cannot look the other way and choose to think of and talk about something else. The Karen Women's Organisation's 2004 report "Shattering Silences" and the Shan Human Rights Foundation's May 2002 report "Licence to Rape" tell us about premeditated attacks on innocent people by the representatives of the army, which are all calculated to keep people down, to deny them protection and to send a message to anyone who might be thinking of arguing against the regime that they should not consider doing so. The Burmese people's plight is extremely serious. I do not think that that is be a matter of disagreement in this Chamber. The question is: what do we do to improve the situation? Can the Government, unilaterally, multilaterally or supranationally, take any action that would alleviate the plight of the people of Burma, in particular the long-suffering ethnic nationals, and offer the prospect of relief and progress in the future?

There are steps that can be taken. First, I appeal to the Minister to confirm that the Government will actively investigate the Horton allegations, if I may describe them so. Will he confirm that the Government will examine, painstakingly and in detail, the allegations of crimes against humanity, war crimes and genocide? Secondly, will they examine the particular accusation made public by Christian Solidarity Worldwide of an attempted chemical or poison weapons attack on the Karenni army resistance camp?

Dr. John Pugh (Southport) (LD): May I touch on a point that the hon. Gentleman has not yet talked about and might not reach? He has mapped out the details of an appalling regime, which has continued since 1962 in the face of worldwide opposition. We must recognise that it has survived since that time whereas other equally turbulent regimes have collapsed. What does he think are the reasons for the longevity of that appalling regime in Burma?

John Bercow: There are reasons for the longevity of the regime and I will detail them in broad terms and in short order. First, the regime is militarily powerful and its opponents are nothing like as militarily powerful. Secondly, there is an absence of television cameras in Burma. They would help open up to public and international view the reality of the violation of human rights that is taking place and would give the opportunity for independent testimony to the scale of the savagery.

Thirdly, the United Nations and other organisations have not accepted their responsibilities. In that sense, the hon. Gentleman, not for the first time and probably not for the last, has most helpfully prodded me to the third point that I want to make to the Minister about action to be taken and the attitude required for it to be carried out. I hope that today he will accept that, however well intentioned the policy of engagement might have been—I accept that it is a policy that applied under the Conservative Government as well as under the present Government—it has proved to be an abysmal failure. Under the Conservative Government, trade fairs were taking place in Rangoon between 1994 and 1996 when people were being slaughtered in Burma. Imports from Burma, which were worth £17.8 million in 1998, now total about £74 million.

Let us consider the EU-wide position. Since 1988, $4 billion-worth of trade and investment has been conducted with Burma by member states of the European Union. Total—one of the most serious offenders, whose activities have done a great deal to prop up the brutal, savage military dictatorship in Burma—is in the process of investing about $400 million in Burma. I have raised the matter with the Prime Minister in response to his statements in the

aftermath of European summits. I have urged him to add to the list of agenda items on which he is regularly in dispute with President Chirac by rightly remonstrating with him about allowing the disgraceful, antisocial and deeply damaging behaviour of Total to prop up the regime in that way.

I say to the hon. Member for Southport (Dr. Pugh) that the international community must accept responsibility. The European Union must acknowledge that engagement has failed, that the brutal military dictatorship continues, that the semi-moderate Prime Minister in office until last year has been deposed, that a hard-line fascistic military despot is now in place and that the road map to democracy and the national convention that was supposedly to take place to facilitate a multi-party dialogue about the country's future are things of the past. We need the European Union to get serious: it must implement a targeted sanctions policy and apply a comprehensive investment ban on Burma. Targeting the pineapple juice sector and a tailor's shop in Burma does not constitute evidence of serious intent on the part of the European Union to bring the regime to heel. Indeed, the word "tokenism" readily springs to mind.

Dr. Julian Lewis (New Forest, East) (Con): I have waited many a long year for an opportunity to tell my hon. Friend the Member for Buckingham (John Bercow) that he is being far too optimistic and sanguine about the European Union; that opportunity has now arrived. The chances of the European Union doing anything effective against Total are minuscule. However, the company is this country's fourth biggest oil supplier. Can my hon. Friend not think of measures that this country could take to hit Total where it hurts—in its pocket? Such measures might prove slightly more effective.

John Bercow: The interesting point to emerge from my hon. Friend's intervention is that although I have not thought of ways to improve the position unilaterally, he has manifestly done so. It would be profitable for me to have further dialogue with him in the hope that we can launch a joint approach or two-handed initiative. The House ought to be aware that my hon. Friend and I, who have been friends for a long time, have always understood that we have only one brain and we have decided to share it between us. On this occasion, my hon. Friend has considered the issue carefully and contributed substantially to my thinking on this matter. I had not worked out precisely how we should proceed, but perhaps we can proceed within EU trade rules. If so, we should not wait for the collective response of the European Union—we might wait for that for a long time—but take unilateral action.

The UN has a role to play as well. It is a counsel of despair for the Government to argue, as the Minister did in a parliamentary written answer to me on 25 May this year, that there is no consensus on bringing the issue of Burma's human rights abuses to the UN Security Council, as if that were a justification for the Government's wilfully continuing to fail to do so. I say in all candour to the Minister that I recognise that it is difficult to make progress, but the logic used by the Foreign Office is a case of reductio ad absurdum. Its argument goes, "We do not think that we will get agreement in the Security Council. The French will probably complain and the Chinese will strongly object and veto any action. Therefore, it is not worth raising such matters." Miss Widdecombe, you know as well as I that if the Conservative Opposition in this House worked on the same principle, we would not have staged a single Opposition day debate since 1997. We would simply have said, "Oh well, it is all hopeless. We cannot possibly win. The Government won't take any notice and we won't win a single vote. We might as well pack up and go home." I am sure that that would be satisfactory for the Minister and the hon. Member for Ellesmere Port and Neston (Andrew Miller), to name but two hon. Members, but we have not taken such an approach. The Government should raise matters such as Burma's human rights abuses and put them on the agenda of the United Nations Security Council. Let us name and shame those states that, because they lack any moral sense or they are consumed by the pursuit of filthy lucre—or both—object to, and use the veto against, any effective action that could help to bring the regime to heel.

In terms of sanctions, there is another stick that we can use against Burma. Everyone knows that Burma treasures the forthcoming chairmanship of the Association of South East Asian Nations in 2006. In respect of international credibility, that post is important to Burma. We should say that that is unacceptable. Parliamentarians in Malaysia, Thailand and the Philippines, to name but three ASEAN countries, have objected to the idea that Burma should have the chairmanship. Through its military expansionism, its involvement in the drugs trade and its spawning of a humanitarian crisis as a result of the flow of refugees over the border, Burma now poses a serious threat to regional stability. Apart from its regional threat, it is also guilty of terrible human rights abuses. Unless and until Burma can comport itself in accordance with the standards of civilised behaviour, it should not be allowed to parley on equal terms with the world's democracies. We should say through the European Union, "Unless and until you clean up your act, you will not have the chairmanship of ASEAN." One thing that we can say is that we will have no part in meetings under Burma's chairmanship if it is allowed to go ahead.

The Prime Minister has often displayed a truly laudable determination to tackle rogue states and to spread democracy and human rights throughout the world. Sadly, to date, Burma has not formed part of the equation. I am not making a party political point: it is a great indictment of the House that, so far back as records can be traced, not one ministerial oral statement has been made in Parliament about the abuse of human rights in Burma. That situation should change. If we declared our intention as a Parliament to oppose the regime, we could make a difference in time. If we were to adopt, through the European Union and the United Nations, the sanctions that are needed in respect of the oil, gas, timber and gems sectors on the one hand and follow up with a comprehensive UN arms embargo on the other, what a difference that could make.

The Government of Burma have a responsibility to stop subjugating their citizens and to start liberating them. If they will not act voluntarily, they must be squeezed, squeezed and squeezed again. Like many

[John Bercow]

other despotic regimes throughout the world, the Government of Burma are contemptuous of weakness. They respect only strength. They will respond only—if at all—to pressure, pressure and more pressure. If we take the approach that I recommend and if the Prime Minister is willing for his remaining period in office to put himself at the head of a movement to bring about change in Burma, that would be right in itself. It would also enable us to send the most delightful and welcome 60th birthday present to Aung San Suu Kyi.

2.58 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): It is a genuine pleasure to follow the hon. Member for Buckingham (John Bercow). I congratulate him not only on securing the debate, but on presenting his case in the way he did and on his persistence in pursuing such an incredibly important matter.

I first became involved in issues in Burma when I was approached by a constituent, the late Bruce Humphrey-Taylor, an elder of the Karen nation. He had fought for the British Army during the war and had a spent a lifetime working in my constituency. On his retirement, he and his wife discovered a young relative who was living in a United Nations High Commissioner for Refugees camp on the Thai border. Having lost her family in the terror of that awful regime, she had been a victim of the abuses of human rights that the hon. Gentleman described. I hope that one thing unites all of us who are present in this Chamber: that her case was genuine—that she was a genuine refugee—and that it was absolutely right on humanitarian grounds that the Government allowed her to join her only living relatives in the United Kingdom in 1998.

It was a great move by the British Government. That person is now settled: she has gone through her UK nationality qualification and learned English, and she is holding down a job in one of our hospitals. Having examined her case and spoken to her—and to Bruce, before he died—about the abuses, I became convinced that there were additional pressures that we could apply. The hon. Gentleman described some of them extremely well. I broadly agreed with the five points that he made, and I totally agree—as, I hope, do our Government—that the current European Union sanctions are grossly inadequate, and that more can and must be done.

Dealing with the oil industry is a problem. As my hon. Friend the Minister knows, my constituency is dominated by the petrochemical industry. Because of the global nature of the economics of the oil industry, it would be difficult to pursue the suggestion of putting pressure on Total, but if there is a way of doing that, we should try and unearth it and make it happen, because that would be a very valuable step.

It is one of the great ironies of this topic that Burma has the potential to be an extremely wealthy nation. It has enormous mineral wealth, not only in terms of oil but in other reserves, and it has great potential with regard to tourism and other economic activities. That Burma is not fully exploiting its economic potential is a tragedy, not only for the 600,000 displaced persons—that figure is probably higher now—or for the thousands of people the regime has tortured and the villages it has destroyed, but for the nation as a whole.

We should certainly be doing more through the EU, but I also believe that more can be done through our work in helping China's economic development. There is a trade in arms across the Chinese border. It is not as strong as it used to be, but it is still the key supply chain for arms, as it has been for a considerable number of years. However, many western European weapons have been identified as well. We must try to close any loopholes that exist in the supply of arms to the regime from both Europe and China.

The hon. Gentleman mentioned genocide. I am familiar with the technical arguments about the legal definitions of genocide. It is an interesting subject; indeed, I was involved in a discussion of it several years ago in an Adjournment debate in this Chamber. However, I merely ask my hon. Friend the Minister to put himself in the position of the people who inhabited some of the villages that have been burned down and to try to understand the situation they face. Yes, there may be a technical argument about whether what has happened strictly falls within the UN definition of genocide, but it does not mean that no action should be taken. We should find ways, as the hon. Gentleman says, of naming and shaming countries like Burma.

John Bercow: The hon. Gentleman will correct me if I am wrong, but am I right in thinking that, since 1996, no fewer than 2,500 villages in eastern Burma have effectively been destroyed?

Andrew Miller: I have seen figures on that scale. Looking at the number of displaced persons, one would take that to be a sensible figure. As we discovered in a ping-pong match with the Home Office when I was trying to persuade them that Hilda should be able to come to the UK—they said "Where are her papers?" and her papers, of course, had been burned with the village—we do not truly know how many people were destroyed, because the records have all been destroyed.

All the evidence from people like Horton, and many others who have been brave enough to cross the border and look around, particularly in the east, suggests that the numbers are very significant. I certainly agree that the Horton report should be investigated. I urge my hon. Friend the Minister to initiate some action on that front.

Similarly, on the issue of chemical weapons, I, too, have received the report. It was probably not from the same source, I have to say, as the one received by the hon. Member for Buckingham, but that it is coming to British Members of Parliament from different sources perhaps underlines the fact that it needs investigating.

The one area of the five suggestions made by the hon. Member for Buckingham where I think we must tread very carefully is how we manage the issue of the ASEAN chairmanship. It would be regarded as Britain at its imperial worst if we went around telling people in south-east Asia who should take office in various organisations that they are involved in. The point, however, is well made. We should try to encourage those countries that have already put their heads above the parapet and said, "We do not want Burma as our chair," and try to work on Commonwealth countries in particular, where we may have some influence, to seek to persuade others to back the position that the hon. Gentleman has described. We must handle that with great care and put our best diplomats to work on how we achieve it.

I shall finish—because I know many Members want to speak—where I started. The hon. Gentleman has done the House a service by raising this issue. I hope that we can continue, hopefully on a genuinely all-party basis across the House, to find ways of working with my hon. Friend the Minister to make progress in a country that has so much potential but is suffering so much and has done for such a long time.

3.8 pm

Dr. Julian Lewis (New Forest, East) (Con): I ask hon. Members present to do a little mental transposition and imagine that, instead of talking about Burma today, we are cast back in time and are talking about apartheid South Africa. The question I want everybody to ask his or her conscience is this: if we were indeed talking about apartheid South Africa, would we be satisfied with the measures that are being proposed and taken today in respect of Burma? I think the answer to that is, "Not in the slightest."

I am old enough to remember the agitation, the campaigns, the harassment and the pressure which were rightly applied to the apartheid regime. It was essentially a policy of allowing no political hiding place for that regime, or anyone or any company that did business with it. When I was an undergraduate, for example, there was a perfect parallel with what my hon. Friend the Member for Buckingham (John Bercow) has been talking about in relation to Total and its support for the Burmese junta: Barclays bank and its investments in South Africa. We were contemporaries, Miss Widdecombe, so you may remember some of the demonstrations in and around Oxford university against Barclays bank. They were very effective.

My mind goes back even further to the perennial problem that civilised democracies have in dealing with dictatorships. Do they try to reason with them or do they confront and defeat them? That great man Winston Churchill was right about this, as about so many other things. Once, at a reception at the German embassy, he was asked by a press attaché why he was so confrontational towards the Nazi regime. He replied, "When a mad dog makes a dash for my trousers, I shoot him down before he can bite." In other words, there are some regimes that are so awful, so despicable and so brutal that they do not understand anything other than the pressure of force.

We have a dilemma in the world since the creation of the United Nations. Recently, in relation to Iraq, we have heard that the notion of overthrowing a Government simply for the purpose of regime change is considered illegal under international law. However, we have also heard that one of the very limited number of circumstances in which it is legitimate to try to overthrow regimes is when a humanitarian catastrophe is being perpetrated. It must be said that the record of the UN, the body originally conceived during the second world war as a world policeman, is not good in that respect. One has only to think of Rwanda, of the long delays before there were interventions in the Balkans, and of the uprisings in East Germany in 1953, in Hungary in 1956 and Czechoslovakia in 1968, to know the powerlessness of a world body, particularly when the brutality is being carried out by a regime that is either a superpower itself or enjoys the protection of a superpower.

However, I am not an absolutist about such things and I take the view that just because one cannot intervene effectively against every abuse of human rights, that is no excuse for not intervening effectively against those abuses of human rights where effective intervention is possible. Burma, like Zimbabwe, seems a case in point. I am not here today to argue the case for military action, but to pose a dilemma. We hear it said that the leader of Burma's democrats takes the view that force is not the answer and that peaceful civil resistance will eventually triumph. I hope that she is right, but it certainly will not triumph without effective international and commercial pressure, which is so far nowhere near being applied.

We must recognise, however, that those regimes where real force was not applied lasted a very long time indeed. In his famous essay "On Liberty", John Stuart Mill observed that there is no guarantee that liberty will always triumph. He said that history is replete with examples of liberty being thrown down and suppressed time after time, and that it is only because there is a natural urge towards liberty that it will tend to revive itself and try again and again until it may be successful. The intellectually bankrupt Marxist regimes of the Soviet bloc lasted in excess of 40 years before imploding, despite repeated attempts to destabilise them from within by democratic means. The ghastly Soviet Union survived for more than 70 years before its internal contradictions brought it to an end. If the policy in Burma is to be passive resistance, the regime may continue for a considerable time, as the hon. Member for Southport (Dr. Pugh) observed when referring to its longevity.

I am drawing my comments to a close because many hon. Members want to speak. Part of the Minister's winding-up speech will have been written for him. I do not blame him for that and have no advance knowledge of it, but I suspect that I know what the structure will be. Part of it will be descriptive and say what a terrible state of affairs there is in Burma, just as Ministers always say what a terrible state of affairs there is in Zimbabwe. Hon. Members should try to distinguish between that part of the Minister's speech, which I predict will occupy at least three quarters of his time, and the recommendations and proposals for action that will be included at the end of his comments. I am not optimistic that it will be a long list.

Dr. Pugh: The hon. Gentleman talks about a lack of optimism. Clearly, an economic stranglehold around the country would be helpful in the case of Burma. However, one of the problems that has been alluded to is the fact that a key economic partner in this respect is China. It is a superpower and currently engaged with Microsoft in eliminating words such as "democracy" and "freedom" from the internet. So, the task is not an easy one and is not solely dependent on western Governments.

Dr. Lewis: The hon. Gentleman is spot-on in his observation. That should be a cause for realising where pressure points are. Just as there are possibilities in this country for exerting pressure on Total if the campaigners get their act together, so there are possibilities for exerting pressure on China, which is anxious to improve its relationship with the west. Even

[Dr. Lewis]

as we speak, China is trying to engage in major commercial deals with both Europe and America, but should not be allowed to compartmentalise such ambitions and separate them from its behaviour in supporting the appalling regime in Burma.

I shall give a couple of examples of the way in which the Government have responded to typically perceptive questions from my hon. Friend the Member for Buckingham. He asked the Secretary of State for Foreign and Commonwealth Affairs

"what recent assessment has been made of the political situation in Burma?"

The reply was:

"We continue to believe that it is essential for the State Peace and Development Council to enter into a genuine and constructive dialogue with Aung San Suu Kyi and the National League for Democracy".

It would have been helpful if the Nazi regime had entered into a genuine and constructive dialogue with all those democracies that it was in the process of undermining and overthrowing, but that would not have been a practical suggestion.

When my hon. Friend also asked the Foreign Secretary if he would

"(a) make representations to ASEAN to strip Burma of its chairmanship, (b) make it his policy not to participate in meetings with ASEAN under Burma's chairmanship and (c) urge ASEAN to suspend Burma",

he was told:

"We are ... concerned about Burma's forthcoming chairmanship ... It is too early for the EU to take a decision on the approach it will take in July 2006.

We will continue to take advantage of our regular bilateral and multilateral contacts with all ASEAN nations to encourage substantive change in Burma".—[*Official Report*, 25 May 2005, Vol. 434, c. 132–34W.]

I finish where I began—with Churchill. Such recommendations are like Churchill trying to negotiate and appeal to the better nature of the mad dog as it approaches. One cannot negotiate and appeal to the better nature of mad dogs; one has to shoot them down before they can bite.

3.20 pm

Vera Baird (Redcar) (Lab): I congratulate the hon. Member for Buckingham (John Bercow) on obtaining the debate, on an excellent speech and on sharing with me the privilege of chairing the all-party group on Burma. He has spoken more fluently than I ever could on the depth and gravity of human rights, and I do not intent to repeat any of what he has said.

Let me turn briefly to how I see the Horton report, as we have already started to call it. It re-examines existing evidence according to the most recent expositions of international human rights law that come from the Rome statute that set up the International Criminal Court, and from the tribunals on Rwanda and Yugoslavia. It concludes—relying on those modern expositions—that the process of "Burmanisation" that the nasty military junta has implemented, could be seen as an attempt at genocide of the Karen, Karenni and Shan, who live in the eastern states. Of course, the eastern parts of Burma are the only parts to which there is access. We do not really know what is happening in many other parts of the country. It is a slow genocide—a concept that is recognised in international law, and consists not merely of the random killings and brutality that have been cited, but of forced relocation to places where people will inevitably die for want of food, hygiene, medical care, water and shelter and because of military incursions.

It is asserted that the scale of human rights abuse set out by the hon. Gentleman, the flight of refugees en masse and the spread of drugs are a threat to international peace and security meriting an intervention under article 24 by the UN, which has a duty to act to restore international peace and security where they are in danger of disruption. That is a new link between the situation, which has previously been seen as confined to Burma, and the international community. That link well merits a close look. Of course, it is primarily a challenge for the UN, which would have to take the action, but our representative must also consider that argument closely.

It is equally clear that the iniquities of the regime are not confined to the ethnic groups that have been mentioned: the lowland Burman people, too, suffer subjugation, forced relocation and forced labour. They, with all the other ethnic groups, reject the military regime and all it stands for and did so most clearly in 1990. The all-party group was lucky to have Dr. Sein Win, the Prime Minister in exile of the national coalition Government of Burma, and the UN representative Thaung Htun, to talk to us last week. He spoke of his dismay at what he sees as a sharpening of military action against those ethnic groups, and cited that with other evidence to show that there is no evidence that the junta will ever compromise with its own people. I am paraphrasing, but I am not using words a million miles away from his. There is no hope of home-grown national reconciliation; consequently, the Burmese must look to us for help.

A campaign led by the estimable Burma Campaign, which has been taken on by the all-party group, sends Aung San Suu Kyi birthday cards on her birthday. They know that the cards will not reach her, but the sending of a huge number of such cards will have some impact none the less. Tomorrow, there is a reception to make the points that we seek to make through such demonstrations. First, we are watching what is going on, which we hope will keep her that bit safer. Secondly, we know that the junta fears her—it fears her courage and her popularity and the fact that it is thrown into evil relief by her stance.

Aung San Suu Kyi has repeatedly called for strong political and economic pressure against the junta. The EU measures that we participate in are very weak. Briefly, they consist of a visa ban on senior generals who do not want to come to us anyway; an asset freeze when less than £4,000 is held in the EU by any member of the regime; and a ban on investment in state enterprises, which has not stopped a single piece of investment, since the Burmese law itself bans investment in state enterprises. In other words, the measures are entirely symbolic, and the generals are used to living with condemnation.

The EU common position is due for review after our presidency ends. I urge the Government to put it on the agenda for consideration before our presidency ends.

I had the privilege of accompanying Glenys Kinnock MEP, and other women on a visit to the Prime Minister last Friday to discuss the issue. We believe that he is inclined to ensure that the common position is put on the EU agenda, with a view to tightening it up, before our presidency expires. Is my hon. Friend the Minister able to confirm that that is indeed the intention?

It is imperative that the EU imposes a total investment ban—which is a slightly ironic thing to say in the present debate. If the Government carry through their apparent intentions but nothing follows from that, we must consider unilateral sanctions. It is perfectly plain that we can impose them, despite our initial concern that EU law would prevent us from doing so. A short piece of legislation might be required: it could easily be attached to another Bill and would, I am sure, be passed with all-party support. The UK is Burma's second largest trade partner, largely through the British Virgin Islands, which is not wholly out of our control. Our unilaterally imposing sanctions would send a very strong message.

There has been a counter-argument that the imposition of such sanctions is damaging to the poor. That brings me to ASEAN. Contrary to what the hon. Member for New Forest, East (Dr. Lewis) said, pressure has been put on ASEAN. I understand that Singapore, Malaysia, Indonesia, the Philipines, Cambodia and Laos are all impressed by the need to prevent Burma from taking the chair of ASEAN. Embarrassment about the action that western Governments might have taken in the Asian Ministers meeting after ASEAN if Burma had been the chair has played a part. I further understand that some compromise way of presenting its non-chairmanship has been arrived at, so perhaps the hon. Gentleman was a bit hard. I agree that China and India remain major problems; however, we trade strongly with both, so I wish to ask my hon. Friend the Minister, who has responsibilities for trade, what he can do to influence them.

I shall speak briefly in support of what others have said about the UN. It is said that if we put a proposal on the UN agenda, the Chinese will veto it and the Burmese will regard that as a victory. It is not at all clear that that is the case. The Burmese democracy movement have asked us to put the matter on the agenda and it appears that if the junta fears anything at all, it is the UN Security Council. I am told that, although it took five days before 9/11 was reported in Burma, the most recent suggestion that Burma's affairs be put on the Security Council agenda was reported in 24 hours, which suggests that there is truth in the claim that Burma takes that body seriously.

As the former colonial power in Burma, Britain has a particular responsibility to take the lead in bringing change to this monstrous state. I urge the Government to think one more time about Aung San Suu Kyi, whose 60th birthday we mark in this debate—in fact, her birthday is on 19 June. She is the public face of the long-suffering people of Burma. We must all encourage the British Government to beef up their act with the aim of ensuring that she and her people are the sooner freed.

Miss Ann Widdecombe (in the Chair): I call Mr. Carmichael. Would the hon. Gentleman please be aware of the need to accommodate three Front-Bench spokesmen?

3.29 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I am indeed aware of that. In fact, I arranged with my hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) to borrow a couple of his minutes, no doubt to be repaid on some future occasion. I congratulate the hon. Member for Buckingham (John Bercow) on securing this debate but will heap the customary praise on him afterwards, when time permits.

This Saturday, I shall be cutting a birthday cake for Aung San Suu Kyi in Kirkwall. The Amnesty International groups in Orkney and Shetland have already held events to raise awareness of Burma. I mention that because that it is worth stating that concern about Burma is not the preserve of *The Guardian*-reading residents of Islington. Revulsion at and concern about the regime in Burma are felt the length and breadth of this country. Indeed, that concern is regularly reflected in my constituency postbag.

The hon. Member for Ellesmere Port and Neston (Andrew Miller) spoke about the impact of the oil industry in his constituency. I can easily associate with that, because the oil industry has been a potent force for good in my own constituency. Throughout the last 30 years it has brought us a great deal of economic prosperity and stability. However, it is worth taking a few minutes to contrast the way in which oil has benefited our communities with the way in which it has operated in Burma and, in particular, to make brief reference to Total. To the French, Total is not a problem. As the hon. Member for New Forest, East (Dr. Lewis) said, Total is the fourth largest oil company in this country. It has a turnover in the region of £2.2 billion per annum and supplies about 11 per cent. of petrol and other fuels. It is one of the biggest suppliers of plastics in the United Kingdom. How much of that £2.2 billion actually comes from the Government of this country? That is something that the Minister might wish to consider.

Total is funding the Burmese regime to a significant extent, and we know what the regime do with that money. The first down payment they got from the Yadana gas project was spent on buying 10 MiG jets from Russia. That is the political reality of the involvement of a company like Total in a place like Burma. We all know what the situation is in Burma, and as long as we know and fail to act, we are all diminished.

3.31 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): I join in thanking and congratulating Mr. Bercow on securing this debate, and on speaking with his trademark fluency, compassion and sincerity. There is no other subject that merits those qualities more than the subject that we are debating today.

Since Mr. Carmichael has stolen two of my minutes already, I am conscious that I must be brief. I shall focus on two issues: first, the personal dignity of Aung San Suu Kyi, and, secondly, what we might ask the Minister to do following the debate. I quote from a letter that Glenys Kinnock, Vera Baird and others sent on 10 June—

Miss Widdecombe (in the Chair): Order. I remind the hon. Gentleman that, according to the customs of the House, he should refer to hon. Members by their constituencies and not by their names.

Mr. Clegg: I apologise. The letter stated that when Aung San Suu Kyi was questioned about her detention in an interview, she replied that she had never considered herself a prisoner and—pointing to her head—explained that she had always been free here, in her head. That statement and many others confirm that she can stand alongside many of the other great icons of freedom—Martin Luther King, Nelson Mandela, Mahatma Gandhi, Vaclav Havel and Lech Walesa, all of whom are distinguished in our collective political memory as having fought for freedom in their own ways and in their own context. Any surprise that I feel about the role that Aung San Suu Kyi plays in our public debate centres on the fact that she does not yet have quite the same scale of acknowledgement that many other figures have in other countries and in the face of other tyrannies and oppression.

One message that comes through clearly from this debate is that we must all, collectively, redouble our efforts to make sure that Aung San Suu Kyi's dignity and the personal sacrifice that she has made in the name of her cause should be as widely acknowledged throughout the world as others' have been.

Julie Morgan (Cardiff, North) (Lab): Does the hon. Gentleman not agree that it is important to recognise that there are still 15 elected Members of the Burmese Parliament in prison and that since 1990, more than 200 members of Parliament have either been detained or put in prison? As an elected representative himself, does he not think that that is a tragic state of affairs?

Mr. Clegg: Indeed it is, and in almost every statement that is published about her views, Aung San Suu Kyi repeats that her plight and her conditions are as nothing compared with those of others who have fought alongside her. My objective was to stress that in our public debates and in the battle for the hearts and minds of decision makers and voters everywhere, it is important to personalise the conflict and to emphasise her role in it. It is legitimate to do that, not only in her name but in the names of all those whom she represents.

What should we do and what should we seek from the Government today? Many suggestions have been made, but in order to secure greater clarity, let me emphasise a few of them. First, the UK is about to assume the presidency of the European Union. If, as seems likely, the EU treaties do not change radically—that will no doubt be welcomed by others—the presidency will not come round to us again for 13 or 14 years, so that will be a unique opportunity. The presidency is able to place issues on the agenda, both formally and politically. I join others in urging the Government to do so in Burma's case, in order to put pressure on France and other countries that have been reluctant to ensure that the attitude of the EU is more muscular than it has been hitherto.

Secondly, we all recognise the realpolitik constraints on the Government if they attempt to put the issue on the agenda of the UN Security Council. However, politically, the very act of trying is important. Even if, through a diplomatic manoeuvre in New York, we do not succeed in putting Burma on the agenda of the Security Council, the act of trying will be noted. If we try repeatedly over a prolonged period, it will be almost as important as placing the situation in Burma formally on the agenda. Thirdly, we must endeavour to ensure that the abhorrent regime in Burma does not assume the chairmanship of ASEAN.

My final point has been made by others, too. This weekend is Aung San Suu Kyi's 60th birthday, which provides an opportunity to afford her the oxygen of publicity that is so essential to her. I hope that all of us here and anybody who hears this debate will use that opportunity to cast a spotlight on a conflict and on the plight of that woman and all those whom she represents. For too long, the issue has not been sufficiently examined in this country or elsewhere.

3.38 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I, too, congratulate my hon. Friend the Member for Buckingham (John Bercow) on having initiated the debate in his usual passionate way. He is no Johnny-come-lately, but has long been a firm advocate of human rights. He was a good shadow Secretary of State for International Development and I hope that at some stage he will be recalled to the colours in that post.

Several hon. Members have referred to the anniversary of one person's incarceration, and have mentioned another anniversary—her birthday. May I mention an anniversary in which Burma will probably appear as a footnote? We in this country will soon make a great thing of commemorating of the end of the second world war in the far east—although not, of course, on the day on which the second world war ended in the far east. We will rightly remember the suffering of British people, but we should pause and remember the suffering of the Burmese people. We should remember not only what happened to them under the occupation, but the fact that thousands of British Commonwealth troops and civilians would not have survived had it not been for the courage of the Burmese people who assisted us. We should remember that as part of the commemoration and as a background to this debate on human rights.

We can agree about the extent of human rights abuse being committed in Burma by the military regime. It has been passionately described by a number of hon. Members. There is also consensus on what needs to be done to bring pressure to bear on the Burmese Government. The difficulty is in knowing to what pressures the Burmese Government will respond and whether the British Government and other members of the international community are applying those pressures.

Last Friday, purely by coincidence, I was fortunate to meet a constituent who, for obvious reasons, does not wish to be named in this debate—a man who, with his wife, has been working as a missionary on the Thailand-Burma border for the past 10 years. He asked me to speak about the plight of the Shan people and to emphasise, as a number of other hon. Members have done, the increasing level of persecution that they and others face. He particularly wanted to emphasise what he thought were the practical steps that the British Government could take. He was not asking for sanctions to be applied across the border or anything like that—he realised the difficulties of doing so—but he genuinely wanted the Government to apply specific pressure on the Burmese Government to which they might want to respond. Indeed, as my hon. Friend

rightly emphasised at the beginning of the debate, we need to ask what the British Government can do to shift things along. It cannot be done immediately—it will take time—but what more can they do?

We have moved from engagement to targeted sanctions, and I would like to pull together some of the thoughts expressed by hon. Members and put some questions to the Minister. Perhaps cynically, I agree with my hon. Friend the Member for New Forest, East (Dr. Lewis) that the Minister and his civil servants might have second-guessed all our questions. In such debates, it is always interesting to see whether Ministers take notes. If they do not, either they have two brains and have thought of all our questions, or they merely wish to read a statement. I shall give this Minister the benefit of the doubt, hoping that he has prepared himself to meet the sort of questions that I shall put.

The first question is whether the Government will now raise the issue of human rights in the UN Security Council and whether they will do so unilaterally. As other hon. Members have said, we all know that such an effort might fail or be vetoed, but are the Government prepared in principle to try? Secondly, are the Government minded to follow the example of the United States Government under its Burmese Freedom and Democracy Act of 2003 and impose investment sanctions on Burma, even if those sanctions are unilateral? Are they prepared at least to consider doing so?

As many hon. Members said, Burma's geographical neighbours are crucial in influencing and bringing pressure to bear on the Burmese Government . What measures have the UK Government taken to persuade Burma's most powerful and influential neighbour, China, to reduce the support that it is giving to the Burmese military, without which the Burmese military would have incredible difficulty in carrying out the kind of genocidal actions that they have taken? To my mind, China is the crucial element in bringing pressure to bear on the Burmese military. What exchanges have the United Kingdom Government had with China about the support provided to refugees from ethnic minorities on its borders? The Chinese Government have a responsibility in that respect. In addition, what pressure and practical help can the UK Government put on the Thai Government to help the thousands of Shan refugees now camping out in Thailand? In the words of my constituent—as I mentioned, he was a missionary in that area—what pressure can be put on the Thais to be "merciful" to those refugees? I think that the Thai Government, often by sleight of hand, have done much to help the refugees on their country's border. We must think what our reaction would be if a similar thing happened to us.

Hon. Members mentioned the presidency of ASEAN in 2006. I agree with those who said that it would be counter-productive for Britain to demand loudly that Burma should not take up the presidency, as it would produce an exactly opposite reaction by many ASEAN members. However, I hope that the British Government are using their best offices to persuade the senior members of ASEAN that is not only in the interests of human rights but in the interests of ASEAN's public persona that Burma should not take up the presidency.

None of us is suggesting that there is a quick fix to the problem, but we are looking for effective action from the United Kingdom Government. In the words of my constituent, expressing what has been articulated by all hon. Members who have spoken, there should be vocal and public protests by the British public and the Government not only on behalf of those suffering from human rights violations in Burma who are represented here, but so that the Burmese Government cannot take silence to mean complicity.

3.45 pm

The Minister for Trade (Ian Pearson): I congratulate the hon. Member for Buckingham (John Bercow) on having secured the debate. I agree that it is appropriate that the House is considering Burma just before Aung San Suu Kyi's 60th birthday. I assure all hon. Members that the Government share the concerns expressed about the appalling human rights situation and, in particular, the suffering of political and ethnic groups who challenge the Burmese authorities' misrule.

We have had extremely good contributions from my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller), my hon. and learned Friend the Member for Redcar (Vera Baird) and the hon. Members for New Forest, East (Dr. Lewis), for Orkney and Shetland (Mr. Carmichael), for Sheffield, Hallam (Mr. Clegg) and for Mid-Norfolk (Mr. Simpson). We also heard important interventions from the hon. Member for Southport (Dr. Pugh) and my hon. Friend the Member for Cardiff, North (Julie Morgan). As the hon. Member for New Forest, East suggested, I could speak at great length about the situation in Burma; however, I propose not to do that, because hon. Members know the situation well. Instead, I shall explain the Government's position and cover the major points that have been raised in this constructive debate.

On a personal level, in the 37 days that I have been Minister for Trade, I have raised the issue of Burma with the Chinese ambassador, the Thai Deputy Prime Minister and the Japanese Vice-Foreign Minister. I also intend to raise the issue when I visit China next month. Burma is very much on my agenda, and the Government's. Our commitment to Burma is to promote human rights, democratisation and sustainable development as far as we can using all the tools at our disposal. It is important that we discuss openly and frankly the action and pressure that we can bring to bear on the Burmese Government that will be effective. The hon. Member for Mid-Norfolk focused on what effective action can be taken, and I agree with him that there is no quick fix or one measure that will change the appalling situation in that country.

I assure hon. Members that the British Government remain at the forefront of international efforts to press for improvements in human rights in Burma. We are working actively with our EU and international partners to promote reform and respect for human rights in Burma, and we will continue to do so during our EU presidency. I was at the meeting that my hon. and learned Friend the Member for Redcar, Glenys Kinnock and the Burma Campaign had with the Prime Minister on Friday. The Prime Minister is committed to doing what the UK Government can to take the issue forward during our EU presidency, and I assure Members that it will be on the agenda for the UK's G8

[Ian Pearson]

presidency. We believe that it is right and important that we keep raising the issue—as hon. Members have said, part of the issue is its profile.

Mr. Mike Weir (Angus) (SNP): I am interested in what the Minister has said about sustainable development and the G8. One problem for Burma is that even in war zones where ceasefires have been agreed, there is still difficulty with sustainability because the army is confiscating land, which is causing further internal displacement. Will the Minister take that on board when dealing with the Burmese Government?

Ian Pearson: We need to take a range of issues on board. Human rights violations have been highlighted in successive highly critical UK co-sponsored resolutions on Burma in the United Nations General Assembly and in the United Nations Commission on Human Rights. We played a key role in drafting both last year's UN General Assembly resolution and this year's UN Commission on Human Rights resolution on Burma. They reflect the deep international concern about the situation in Burma and the human rights abuses committed by the Burmese authorities against their people.

The Government firmly support the mandate of Professor Pinheiro, the Special Rapporteur of the United Nations Commission on Human Rights, and we urge the regime to allow him regular, unrestricted access to Burma. As hon. Members will appreciate, one of the difficulties that we face is that good reliable information about what is going on in parts of the country is hard to obtain. It is important not only that the Burmese authorities are aware of our views, but that they respond and do something about the problems. The UK, as part of the EU troika, expressed its deep concern about the situation in Burma directly to the Burmese Foreign Minister in Kyoto on 6 May. On 16 May, our ambassador in Rangoon drew to the attention of the Burmese Foreign Minister the high level of concern in both Houses about human rights in Burma.

We continue to believe—the hon. Member for Buckingham raised this issue—that it is essential that the regime enters into a genuine, inclusive dialogue with Aung San Suu Kyi and the National League for Democracy. That might be a pious hope, but it is important to continue to put pressure on the regime to reform itself. Only such a dialogue can promote a peaceful democratic future for all Burmese people.

Mr. Carmichael: I am interested to hear about all the various representations that the Government have made. However, given that the value of UK imports from Burma has increased from £17.8 million in 1997 to £74 million last year, does the Minister think that the Burmese regime might be getting a mixed message from us?

Ian Pearson: I do not believe that the Burmese Government are getting a mixed message from us. The Government have made their views about Burma extremely clear and will continue to do all they can to improve human rights in that country. However, primary responsibility lies with the State Peace and Development Council; the answer lies in its hands. For a start, it must begin to spend less on itself and its cronies and more on health and education. One telling fact is that the regime spends less than $2 per person per year on health and education combined.

John Bercow: The example of direct action against Barclays bank as part of a process of pressure on the Government of South Africa was pertinently highlighted by my hon. Friend the Member for New Forest, East (Dr. Lewis). Does the Minister believe that a similar model could be applied in relation to Total? What will the Government do to try to bring that to fruition?

Ian Pearson: I remember the campaign against Barclays bank. As the hon. Gentleman will be aware, it was not a Government-supported campaign. The Burma Campaign and others may want to run a similar campaign against Total, but that is a matter for individuals. It is not for the Government to campaign against a specific company.

Vera Baird: I think that members of the public would want to boycott those in the rag trade who are importing clothes from Burma. However, it has proved extremely difficult to ascertain exactly who is bringing in such imports—for obvious reasons, the labelling on clothes does not say "Made in Burma.". Will my hon. Friend's Department be able to help if I ask questions about who is importing material from Burma? Will the information be forthcoming so that we can indeed start such a public campaign?

Ian Pearson: There are restrictions on what information the Government can give out, owing to considerations of commercial confidentiality. Subject to that proviso, I shall look at the issue and get back to my hon. and learned Friend.

Let me answer some of the questions that have been raised directly. The hon. Member for Buckingham discussed whether the atrocities going on in Burma constitute genocide—a point also explored by my hon. and learned Friend the Member for Redcar. As the hon. Gentleman will be aware, the United Nations Special Rapporteur on Human Rights in Burma does not use such terms when he describes the situation there. We will listen with interest, however, to what Guy Horton has to say. I can assure hon. Members that the Government do not have a closed mind on the matter.

As a Government, we led efforts in October 2004 to strengthen measures in the EU common position in light of the political situation in Burma. The common position was reviewed in April for a further 12 months. Hon. Members feel it is inadequate, and there is no doubt that, as a Government, we would like to strengthen the common position if at all possible. It does, however, have to be a common position—the support of all 25 member states is required. We have to realistic and, as people have said, do what we believe will be effective.

The National League for Democracy spokesman recently reiterated that it is not the NLD's policy to call for sanctions. We have to bear in mind the circumstances of the people in Burma. If the NLD is not

explicitly calling on us to impose broad sanctions, we have to take account of that fact. We need to see whether there is something more effective that we can do, and I am happy to engage in debate and dialogue with people on that.

John Bercow: Does the Minister accept that what people want are targeted sanctions that reduce the flow of funds to the military, undermine the repressive state apparatus and thereby hasten the process of political change? That is what is needed.

Ian Pearson: If that can be achieved at EU level, I believe that the Government would support it. As the Prime Minister said on 25 June 2003:

"we do not believe that trade is appropriate when the regime continues to suppress the basic human rights of its people."—[*Official Report*, 25 June 2003; Vol. 407, c. 1042.]

We will continue to make that view clear. As hon. Members are aware, we have persuaded companies in Britain not to invest in Burma. Since British American Tobacco completed its withdrawal last year, there have been no significant investments by British companies in Burma.

International aid was not mentioned during the debate, but the UK is the leading bilateral EU donor to Burma—not to the Burmese Government, but to the people of Burma. Approximately £25 million is delivered annually through the EU, covering health, education, human rights and community development. We need a twin- track approach. We cannot forget the plight of the people of Burma, and we should be providing humanitarian assistance where possible.

Hon. Members have spoken about the role of the UN Security Council. The position remains that there is no consensus. China in particular remains strongly opposed to any mention of Burma in any Security Council context. I will, as I said, raise this issue with the Chinese when I meet them.

On the chairmanship of ASEAN, we have made the difficulties that we believe would exist if Burma were to take its chairmanship clear to ASEAN countries. It is obviously a matter for those countries to decide—

Miss Ann Widdecombe (in the Chair): Order. Time is up.

Electricity Transmission Charges

4 pm

Mr. Mike Weir (Angus) (SNP): I welcome the Minister to what is probably his first debate on electricity transmission charges. He will probably think his new position as byzantine as his previous one. Electricity transmission charges have been a hotly debated issue throughout the implementation of the British electricity trading and transmission arrangements—BETTA for short. The charges were raised during the passage of the Energy Act 2004 during the last Parliament and managed the unlikely feat of uniting my party with the former Member for Cunninghame, North, Brian Wilson, in opposition to them.

The charges proposed by Ofgem would be a disaster for Scotland. It is ironic that when the Prime Minister is jetting around Europe in an attempt to get agreement on tackling climate change at the G8 summit, which is to be held in Scotland, the Government at Westminster are making decisions that could strangle the prospect of renewable energy development in Scotland. On the one hand, the Government say that climate change is the biggest issue facing us, but on the other they sabotage efforts to tackle it. The more cynical among us might think that that is not unconnected with recent attempts to talk up the prospects of nuclear power.

When the matter was first raised during the passage of the Energy Act 2004 in the House of Lords, the Government reacted by inserting a clause that would give exemption from those charges to an area especially favourable for renewable energy. It had been widely assumed that that area was the north of Scotland and the island areas. However, there are serious deficiencies in the proposals. For one thing, the derogation is for only five years, with the power to extend for a further single period of five years. The mathematicians among us will readily work out that that gives a total period of only 10 years. However, it is important to remember that the exemption—as I understand it—is for an area and not for specific projects, so only projects up and running at the time the exemption is introduced will get the full benefit of 10 years' reduction; any project coming later will get a tapering relief, if any at all. It should also be borne in mind that the payback period for many such projects will be far longer than 10 years, and that anyone investing in them will face the prospect of massive increases in transmission charges midway through their project.

If the Minister takes nothing else from this debate, I urge him to give serious consideration to this matter, and if the ridiculous transmission charges are to remain, I urge him to address the problem and consider making the exemption project-based within a specified area to allow for the continuing development of renewable energy. Each project set up and running within that area would then get the full benefit of a 10-year exemption, which would go some way at least to tackle the problems that the transmission charges will impose on those renewable projects.

The situation has been made much worse by the attitude taken by Ofgem, which has recommended the charges. It seems to be governed not by the real world, but by some mad economic model of its own. During the passage of the 2004 Act, my hon. Friend the Member for

[Mr. Mike Weir]

Banff and Buchan (Mr. Salmond) and I met representatives of Ofgem to discuss their attitude to the charging regime. It was a very unfulfilling experience. Ofgem seemed to be totally dominated by a fixation that charges should be used to send economic signals and that generating capacity should be sited near centres of population, which, in its view, seemed to be mainly in the southern part of England. The representatives were asked three times whether they supported the Government's aim on renewable generation; three times they refused to reply to that question.

The whole idea of locational charging is based on a misconception. The desire to locate energy generation near population centres can have a superficial attraction, but cannot be done under the present centralised generation and transmission system. Greenpeace has done work on local systems, and I understand that it is to produce a report later this summer that will argue that addressing the distribution system must be at the heart of the climate change agenda. Under the current system, the charging regime completely fails to take into account the fact that remote areas are the most efficient places for energy generation, and in particular for renewable energy generation. Instead of letting comparative advantage dictate where energy is produced in a manner that would be beneficial to all, locational pricing attempts, in effect, to second-guess the marketplace by using effective subsidies or taxation to force energy production into less resource-efficient areas.

I understand that losses through transmission are only between 2 and 4 per cent., depending on distance, but locating power stations in places with greater resources delivers between 25 and 33 per cent. more power. That implies that a 1 GW wind farm with 50 per cent. capacity will lose 10 MW, but as a result of increased efficiency will generate between 100 and 150 MW extra energy. Therefore, it does not make sense to insist on locational pricing.

When questions were asked of Ofgem at a meeting, its rationale seemed to be that there are many applications for generation in northern Scotland so there is no need for encouragement there, but there is a need for encouragement in other areas. I pointed out that there were so many applications in northern Scotland because that was the obvious place to site renewable energy developments. The odd thing is that Ofgem accepted that most of the applications were for renewable generation, but that did not seem in any way to impinge on its views on locational charging. Reality seemed to impinge little on its closed world. It still felt that there needed to be some encouragement for generation in the south of England.

Ofgem's stance is bizarre. I think that we all now agree that climate change is a major danger. Even at today's Prime Minister's questions, the Prime Minister cited a report by the G8 nations' academies of science that advances that view. There is a suggestion that even President Bush is beginning to get the message. That being the case, we need to move towards renewable energy, and the regulator should not put barriers in the way of renewable generation in Scotland in favour of new generation in southern England. Perhaps it is the case that the regulator would prefer there to be new nuclear power plants in Surrey than renewables generation in Scotland, although it is doubtful whether the people of Surrey would agree.

There is an argument that the Minister should take on board. The role of Ofgem in this entire matter must be looked into, and in particular whether its remit is sufficient to cover the new renewable energy sector—although, in my view, it should be got rid of altogether and something new should be put in its place. However, perhaps the need to meet carbon emission targets should be taken into account.

I was a member of the Scottish Affairs Committee in the last Parliament. We undertook an investigation into Scotland's energy needs, during the course of which we looked into the whole question of transmission charges. That subject was brought up by Scottish and Southern Energy, which is the main energy producer in the north of Scotland. Its chief executive commented on the effect that the charges will have on renewables, and he referred in particular to a hydroelectric project that his company was undertaking. He said:

"We are currently trying to consent a new hydro station at Glendoe on the banks of Loch Ness and the economics of that are being directly affected by transmission charges, and that makes a marginal project probably uneconomic. I am not saying I will not be doing it here, but there is clearly a marginal project that is being affected."

From recent discussions with him, I understand that there has been a substantial increase in the costs of that project, partly because of the transmission charges.

Similarly, those behind the Beatrice project in the Moray firth have suggested that transmission charges could have an effect on that project, costing it up to £20 million per year. That is important because that offshore wind project will generate as much electricity as a new nuclear power station, and I am sure that most people in Scotland would very much prefer there to be a wind farm in the Moray firth than a nuclear power station in the north of Scotland.

It is worth remembering that these charges do not only affect renewables. They will affect conventional generation in the north of Scotland, in particular the Peterhead station, which is the most efficient combined gas station in Europe. What will be the impact of the charges? I refer the Minister to the report of the Scottish Affairs Committee entitled, "Meeting Scotland's Future Energy Needs". The Committee was not stuffed full of nationalist members. I was the only nationalist member. In fact, it had a substantial Labour majority. The report contained trenchant criticism of the transmission charging regime proposed by Ofgem. It states:

"The effect of this is that it costs between £23 and £26 million more to operate a gas-fired power station in Aberdeenshire than one in South West England."

Scottish and Southern Energy commented that

"our Peterhead power station will pay £18 a kilowatt for every kilowatt it has connected. A power station in the central belt of Scotland will pay around £12 a kilowatt. A power station in the north of England will pay around £5. A power station in the Somerset area will *receive* £5, so you have a very pronounced tilt."

Under the scheme, there is in effect a subsidy for power generation in the south of England, as opposed to the north of Scotland. However, as I said earlier, the north of Scotland is the best area for most renewable energy.

Scottish and Southern Energy told the Select Committee that, under the proposals, Scotland would be the first place that a power station would be shut and the last place where one would be built. That has immense implications for the security of energy supply in Scotland and the future of power generation in Scotland. I am sure that the Minister will tell me that, under the British electricity trading and transmission arrangements, the interconnector charge is going and that will balance the cost to Scottish generators. The matter was put specifically to Scottish and Southern Energy when it was giving evidence to the Committee. It said that, for a big generator, that might be the case and that matters will balance themselves to some extent. However, it will not allow new generation and new renewables to come on line. Such projects are likely to be seriously hit by the charges.

The Select Committee recommended an urgent review of the charges. I urge the Minister to take that on board. I understand that Scottish Power has launched a court case against Ofgem because of the charges and that matters have still to be determined. There is a prospect of a review of the charges taking place when they have been up and running for a time but, by then, generation in Scotland might have been damaged irrevocably. Such matters are important because Scotland has the potential to be the renewables powerhouse of Europe and to contribute greatly to the reduction of carbon emissions, both within the United Kingdom and throughout the European Union.

Scotland has 25 per cent. of Europe's wind resources, 10 per cent. of Europe's wave capacity and 25 per cent. of the total tidal capacity. Indeed, the Pentland firth has been described as the Saudi Arabia of tidal power—an interesting thought. Scotland has the world's first commercial wave power station, but recently there has been talk about much of that being moved to Portugal, which would be seriously detrimental to Scotland. One of the major players in the wave generation market has recently been bought by a German company, so we are already seeing some of the innovation in Scotland going to other nations, partly because of the lack of take-up of some of the technology. As I said earlier, that take-up will be hit by the fact that transmission charges are being imposed. It has an area exemption for a specified period rather than a project exemption.

Scotland has the infrastructure and the professional expertise garnered from the oil and gas industry to create an important renewables industry. Denmark has a £4 billion a year export industry, employing more than 15,000 people. Scotland could replicate that success in renewable energy only if it had a system in place with which to set up and operate renewable stations. The charges will undermine that potential and may force us to consider building new nuclear power stations—a move that would be fiercely resisted by the people of Scotland.

I urge the Minister to reconsider the charges and to ensure that Government targets for carbon emissions are met by taking control of the charging regimes from the ideologues at Ofgem.

4.15 pm

The Minister for Energy (Malcolm Wicks): I thank the hon. Member for Angus (Mr. Weir) for securing the debate on this important issue. The debate is entitled, "Electricity transmission charges", but the new transmission charging structure is a small part only of a much greater project—the BETTA project, as it is known. BETTA stands for the British electricity trading and transmissions arrangements; I hope that the hon. Gentleman and others in the Chamber do not mind if I refer to it as the BETTA project, although whether it is for better or worse may be the subject of this debate.

The BETTA project has had a profound effect on the Scottish electricity market. We cannot look at transmission charges in isolation. I stress to hon. Members that BETTA brings great benefits to Scottish consumers, who, for too long, had less choice and paid higher prices than their counterparts in England and Wales. As a Government who believe in competition and choice, we believed that to be unacceptable.

The hon. Gentleman expressed concern about the impact of transmission charges on the Scottish electricity industry. Those charges were set by the national grid and approved by Ofgem after extensive consultation with the industry over 18 months, during which there were many opportunities for industry representatives to feed in views. Any such views have been taken into account.

Let us remember what cost-reflective charging is intended to achieve. A cost-reflective system promotes the efficient use of the electricity transmission network, and hence the lowest-cost solutions for consumers, who ultimately have to pay. I emphasise that if charges did not reflect costs, the network would not develop efficiently and consumers would face higher electricity prices, which would harm industrial competitiveness and the fuel-poor.

I reiterate that BETTA is a package of measures, which must be looked at in the round. We have heard a lot about how transmission charges in Scotland have increased with BETTA, but BETTA is more than a new transmission charging structure. To consider transmission charges only would be to ignore the bigger picture.

Before BETTA, any Scottish generator that exported electricity to England and Wales had to pay separate charges to use the interconnector. Those charges disappeared under the BETTA arrangements and the merger of the Scottish electricity market with that of England and Wales. Indeed, connection charges are lower in Scotland as a result of BETTA, and Ofgem estimates that its overall effect on Scottish generation has been broadly neutral.

Let us not forget that a postage-stamp system of transmission charging, with which the rate does not vary geographically, would mean that Scottish electricity consumers would have to pay around £46 million more in 2005–06 then they do now. Is that really what the hon. Gentleman wants? Surely it might lead to more fuel poverty in Scotland.

In short, the apparent increase in cost to Scottish generators has been misinterpreted or misunderstood due to a failure to look at the whole picture and, perhaps, a failure to consider the interests of the consumer, who is surely the person about whom we should be most concerned.

Mr. Weir: The Minister talks about the interconnector, but what about renewable energy? The

[Mr. Weir]

Government say that we must have more renewable energy to meet our carbon emission targets, yet the transmission charges specifically hit new renewables. Taking away the interconnector charge will not help those developments.

Malcolm Wicks: I shall answer that question by moving on swiftly, as I shall cover that a page or so on in my speech.

We need to recognise that Scottish generators are getting a different product in return for the transmission charge that they now pay. They have equal access to the entire British electricity market, which was not the case before. That is particularly good news for renewable generators, given that Scotland is already a net exporter of electricity. Instead of generators having to navigate different sets of rules and pay additional charges to access the market in England and Wales, there is a single British market with a single set of rules. Generators have easy access to a wider range of customers and can negotiate the best prices for their output.

The Government regard the development of a range of renewable energy sources as a vital element in reducing carbon emissions and addressing climate change, and the role that Scotland will play is crucial. The energy White Paper set the goal of putting ourselves on a path to cut the UK's carbon dioxide emissions by some 60 per cent. by about 2050 or, with real progress, by 2020. The Government have a clear target that 10 per cent. of electricity should come from renewable sources by 2010. We also have an aspiration to double that figure to 20 per cent. by 2020 or thereabouts.

In Scotland, the Executive have set a target of securing 40 per cent. of generation from renewable sources by 2020. We recognise Scotland's great potential for a range of renewable technologies: onshore and offshore wind and, in time, wave and tidal power. The fact that Scotland is a centre of excellence in this respect was apparent to me on a recent visit to Aberdeen.

The renewables obligation encourages electricity suppliers to source an increasing proportion of power from renewables. It is already securing effective exploitation of wind resources and should, in time, assist development of other technologies on a commercial scale. We do not believe that transmission charges will impede the growth of renewables nationally. BETTA is essential to the growth of renewables in Scotland, as the hon. Gentleman will agree—at least I hope he will.

I am well aware of the exceptional potential that the Scottish highlands and islands offer as a location for wind farms and, possibly, wave and tidal generation. I had discussions about that a while ago, when I was in the Western Isles. That is why the Government recently announced our intention to exercise the section 185 power in the Energy Act 2004 to adjust transmission charges for renewable generators on the Scottish islands. We shall consult on that in the summer. Not only will it help the Government to meet our renewables targets and so fulfil environmental objectives; local communities will also benefit. That is particularly important given that disposable household incomes on the islands are some 20 per cent. below the national average.

Underlying all this is the need to do what is best for consumers. BETTA has already delivered more choice and better value for Scottish consumers. On a related matter, which will be of particular interest to the hon. Gentleman, as his constituents are benefiting, we introduced a new scheme to replace the now defunct hydro-benefit scheme in the north of Scotland. That is of huge benefit for anyone who lives or works there. It will bring in £40 million a year to offset the high cost of distributing electricity in the sparsely populated areas. We also put the common tariff obligation on a firm legal footing, which will protect consumers in remote parts of Scotland from the threat of discriminatory electricity pricing.

Those examples show how the Government are responding to the particular needs of communities in the north of Scotland. We have ensured that the relatively remote location of some Scottish communities is no barrier to an affordable electricity supply. I again emphasise the Government's strong commitment to renewables as a major source of energy, not least in Scotland, in the foreseeable future.

Gedling Local Plan

4.24 pm

Paddy Tipping (Sherwood) (Lab): I am most grateful for the opportunity to debate the Gedling local plan, which has been in gestation for a number of years and is now coming to a head. People who live in the area covered by Gedling borough council—6,500 of whom have objected to the Gedling local plan—will be delighted about the debate. I have no doubt that they will read and follow the proceedings carefully.

The intention of the debate is to raise the profile of the issue in the highest levels of the Office of the Deputy Prime Minister. There is real concern, and a real desire for action to be taken. I know that the Minister and the Deputy Prime Minister are aware of the problems and the situation because I wrote to them, first on 4 April and subsequently on 9 May, pointing out that the Deputy Prime Minister had powers to intervene in the local plan process.

I appreciate that the Minister's officials, both in his office and at the Government office for the east midlands, have been considering the issues involved and making inquiries. I also appreciate that because the matter is, in a sense, quasi-judicial the Minister is constrained in what he can say today. I suspect that he will be reluctant to speak directly about the Gedling borough council local plan, but I hope that he will be prepared to talk in general terms about the planning policies and issues involved. I hope that he will listen to my final plea, which will be for the Deputy Prime Minister to make an early decision about whether he intends to intervene in the plan process.

At the outset, I say that it is not all bad news. Gedling borough council has been working on the local plan since 1996. It has been a tortuous process. There have been real difficulties. One of the positive features has been that there has been tremendous public consultation, and a revision of the plan at various stages. I am not critical of any of the members of Gedling borough council personally, or of any of their officials—quite the contrary. Bob Wilson, the local plan manager, has been diligent and hard-working and is always sensitive and willing to help. He has been willing to respond to many questions. The leader of the council, Councillor Ivan Gollop, has also been involved—he has attended many meetings in the borough and considered the issues involved closely. There is no doubt in my mind that, if it were possible, he would be keen to protect and preserve the green belt.

However, we are where we are. On 1 June 2005, just a few days ago, Gedling borough council decided to adopt the local plan. The process is not over. I understand that there is a notification of intention to adopt that will run until 12 July. Following that, I am told that there is a six-week period in which people who wish to consider a legal challenge—such as a judicial review or a challenge in the High Court—can take action.

So, although there has been a long period of preparing the plan and the council has made a decision, there is still time for action. The action that I want taken is that which I outlined in my letters of 4 April and 9 May. I want the Deputy Prime Minister to become more directly involved and to consider some of the planning issues. I also know that there is a strong possibility that local people will mount a challenge in the High Court.

I should mention one of the paradoxes of the case. The local parish councils, Linby, Papplewick, Ravenshead and Bestwood, have all taken legal advice. They have been prepared to use parishioners' money to buy legal advice and to share it with Gedling borough council. It is rather sad that although the borough council has had the benefit of that legal advice, and although it has sought its own legal advice, in a sense to try to resolve the situation, on two occasions it has not been prepared to make that advice available to the parish councils. There should be a sense of equity. There is an issue about who pays for the legal advice. Clearly, it is the residents living in the borough council area who are affected by that advice. It is very sad that the borough council will not share its advice, even though the parish councils, keen to make compromises, find a way forward and have discussions, have been open about theirs.

There is no doubt in my mind, talking to the parish councils and local people, that there is a strong possibility of a challenge being mounted in the High Court. I should explain to the Minister why there is such concern and action. We are seeing real community involvement and real community politics. There is a strong feeling in the north of the Gedling borough council area that the council is making the wrong decision, that the local plan is fundamentally flawed, that it is bad in principle and that it will produce the wrong results.

Let me highlight the reasons for that feeling. First, we all—the Government in particular—believe in the development of brownfield sites before intrusion into greenfield sites and the green belt. Let me be blunt: that will not happen with the Gedling local plan. The council is clear about that. It does not even pretend that that is the aspiration. It accepts that if the local plan goes through as it is currently envisaged, there will be large-scale housing development in the green belt before more sustainable sites—such as Teal close, close to the Nottingham conurbation, and, more particularly, the former Gedling colliery site, a brownfield site where the colliery has been closed for years—are developed. That is plainly wrong. The Government's planning advice is clear. It is now universally accepted that brownfield development should take place before greenfield and green belt development. However, that will not happen if this local plan is adopted. We will see areas of north Nottinghamshire being built on for housing very quickly indeed.

Let me identify some of the sites. They include Top Wighay farm in Linby, a conservation area. Linby is a picturesque village with a historic background, situated as far towards the border of the north-west of the Gedling borough council area as one can get. The site has been identified for large-scale housing allocation and employment use. That is not sustainable development; it is the borough council pushing development right to the edge of its patch. It is no wonder that the neighbouring council, Ashfield district council, which comes right up to the border, is objecting strongly. In fact, the consequences of development at Top Wighay will have profound effects on Hucknall in the Ashfield district council area, rather than on the rest of the Gedling borough council area. People say to me, "It doesn't make sense," and it does not.

[Paddy Tipping]

Cornwater in Ravenshead is another example. Ravenshead is a large, wealthy village, from which many people commute into Nottingham and Mansfield. There, a site next to the leisure centre has been identified for housing. Finally, I should mention Dark lane in Calverton. As its name suggests, it is an old green lane with historic connotations—a place of real beauty, which is soon to be built over for housing.

I cannot get an answer from the borough council as to why it is pursuing policies that will ensure that those sites are developed before, say, the Gedling colliery site. That is an area of significant dereliction which has been identified for major housing development, yet the borough council accepts that its development will not take place until long after development on the greenfield sites and green belt. I want the Minister to make inquiries, both of the borough council and of the East Midlands Development Agency, which owns the site, to find out why there has been such a delay in putting in the infrastructure at Gedling colliery site and bringing it to the market.

One of the issues is that, at the insistence of Nottinghamshire county council, a spine road needs to be put in to allow the colliery site to develop. I shall come to that council in a moment. I do not believe that Gedling colliery is too difficult to develop; we should make haste there. Perhaps I should turn to Teal close in Netherfield. The site was discounted by the planning inspector in May 2004. At that point, he reported that the site was by the River Trent and was liable to flooding. In fairness to the Environment Agency—I commend its work in Nottinghamshire—I should say that it has now confirmed that the site will not flood.

Teal close is available for development, and could be used for housing and employment. It edges on to the built-up area. It is in the constituency of the Lord Commissioner of Her Majesty's Treasury, my hon. Friend the Member for Gedling (Mr. Coaker), who, because of his other duties, cannot speak on these matters. He, too, has been involved with the people who are concerned about development on the green belt, and is anxious about the matter. Teal close is available for development. Again it requires an access road to be put in by Nottinghamshire county council, and again the council has underestimated the cost of the road and, as a result, the timetable for the development has slipped. It must be right, in principle, in planning terms for the Gedling colliery site and Teal close to be developed before greenfield sites such as Top Wighay, Cornwater and Dark lane.

Secondly, the notion of a sequential approach to housing development—identifying the most appropriate sites to develop first, then moving on to the less environmentally desirable ones—has simply been disregarded in the Gedling local plan. In the north of the Gedling borough, there is a planning auction. Planning applications have been made for housing on Top Wighay, on Cornwater and at Dark lane. Unless we get a grip of the planning process, we shall see new housing built on those sites very quickly. So much for sequential development—brownfield before greenfield.

I shall make a prediction: the kind of housing that will be built there will not meet local needs. I anticipate that the housing that will be built at Top Wighay will be what I call ranch-style executive homes: five-bedroomed houses with room for two cars on the drive. What we really need, if we want housing that meets local needs, is smaller housing nearer to town centres. What drives the housing market is the fact that many of us are living longer and that more families are splitting up, divorcing and therefore needing two houses. We do not need ranch-style executive homes; we need smaller housing nearer town centres, but that will not happen under the Gedling local plan.

Thirdly, and most significantly, all the housing development is simply unnecessary. If the borough council acted sensibly and professionally and used the latest information, there would be no need for such housing allocations. The Gedling local plan is based on the existing structure plan, but as the Minister will know—his officials have been looking at this—a new structure plan is emerging in Nottingham and Nottinghamshire. That plan was helped by the panel report on the joint structure plan that was published in September 2004. That allocates 1,000 fewer houses to Gedling borough council. Put bluntly, if the borough council were to choose the new reduced housing figures—and there is nothing to prohibit that choice—there would be no need for housing on any greenfield or green belt site.

The new structure plan would be in place very quickly. Nottingham city and Nottinghamshire county councils are to discuss the new structure plan at their joint committee on planning and transportation on 15 July, and they intend to adopt the new plan by the end of the year. I understand that if the Secretary of State chooses not to intervene, a legal challenge will be mounted. It may be that we will have a new structure plan with 1,000 fewer houses, whereas the old structure plan still has those 1,000 houses—and Gedling borough's local plan is dependent on the old structure plan. Put simply, the day that the Gedling local plan is adopted, it will be out of date.

The council should take into account planning policy guidance note 12, which makes it clear that councils should use the most recent and relevant information, but it is simply not doing that. Perversely, at one point the local plan process was put on hold while the joint panel report was published. There was an expectation that the borough council would take the new figures into account, but on 1 June the council decided firmly and finally not to do so. I am not sure why that happened, and local people are not sure either, but there are rumours, and I want to focus on the role of Nottinghamshire county council.

I pointed out earlier that the development of the Gedling colliery site was dependent on a new road, which the county council was insistent on. The development of Teal close is also dependent on a new road, again to be provided by the county council. It is important to see what local politicians are saying locally. Gedling is a balanced council where the leadership rotates, and the last leader of the council, my good friend Councillor Roland Spencer, said that

"the county council spent a lot of money making their case. Our legal advice is that if we turn it down they would take us to court and put it back anyway."

The county council is so keen to have the development on Top Wighay that during the inquiry on the Gedling local plan it spent a cool £450,000 on consultancy fees.

reports and feasibility studies to ensure that Top Wighay was included. I find it crazy and it makes me angry that one public authority is threatening another with legal action, which will be funded by the local people. That is not right. The county council should look closely at its activities as a landowner.

There is a potential conflict. The county council is the strategic planning authority. It is also a landowner that has told me directly that it has been offered £132 million for the sale of Top Wighay. What makes matters worse is that the county council has a policy of devolving, giving 10 per cent. of the capital receipt to the local borough council. The county council will receive £132 million and Gedling borough council will receive a £13 million cut. I cast no aspersions, but I will just tell the Minister what local people say about that: the local plan is driven by financial gain for the county council and Gedling borough council.

I want to quote from two of the letters that I have received. The first is from Margaret Kerr of Papplewick, in the affected area. She said that she was told that

"I should be lobbying Notts County Council—not Gedling.

Notts County Council own Top Wighay site and have already spent almost half a million pounds on external agencies to promote it for development. It is suggested that they stand to gain £130 million if this area was removed from the greenbelt. Gedling could reasonably expect £13 million pounds as their 'reward'.

I am extremely concerned that these financial considerations appear to be overriding planning criteria."

I share her concerns, as do many people locally.

Patricia Andrews, who lives at Ravenshead, wrote to me more specifically. She said that her

"concern is also with the ownership of the land. I understand that some of the land is owned by the Cabinet member for Finance and Property at Nottinghamshire County Council and that the husband of the leader of the Conservative Group on Nottinghamshire County Council also owns a part."

That was in relation to land at Ravenshead. My own view is that both the people named have acted impeccably and there can be no impropriety. However, there is certainly a view that the planning process is being abused.

I am extremely grateful for the work that the Minister's officials have put into the matter. I said at the outset that I did not expect a definitive answer today. I want the Minister to outline the planning principles and processes involved. However, I say to him, to the Secretary of State through him and to the wider audience who closely follow our proceedings that there is still time to act. There is widespread dissatisfaction with the planning process. There is a view that it has not been transparent. There is a strong view, which is right and correct, that development should take place on the brownfield sites before the greenfield sites. Once lost, greenfield sites and the green belt can never be recreated.

I am pleased to have had the opportunity to raise the issue today and to work closely with the local parish councils and local people. To put it bluntly and simply, there is still time to act. It has been a long planning process, but it is not over yet. People in north Nottinghamshire and the Gedling area want to leave a legacy of green fields for their children and grandchildren. They are right. I am delighted at the fight so far. I remain an optimist. I believe that we can win the battle, and it is a battle that I am proud to support.

4.50 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): I welcome you, Miss Widdecombe, to the Chair for this important debate and I congratulate my hon. Friend the Member for Sherwood (Paddy Tipping) on securing it.

My hon. Friend acknowledges that it would be inappropriate for me to comment on the merits of specific policies or allocations proposed in the Gedling replacement local plan, as it could prejudice the First Secretary of State's impartiality in fulfilling his statutory responsibilities. However, I am able to discuss the important issue of the need to ensure sustainable development through the development plan system in relation to the Gedling borough replacement local plan process.

First, I must emphasise the Government's commitment to a plan-led system for sustainable land use. The preparation of development plans is the most effective way of reconciling the demand for development and the protection of the environment. It plays a key role in contributing to a strategy for sustainable development by helping to provide the necessary development locations, yet it does not compromise the ability of future generations to meet their own needs.

The Government are also committed to reforming and enhancing the system. In line with that, we successfully introduced the Planning and Compulsory Purchase Act 2004, the first planning Act for more than a decade. It represents our commitment to a fundamental reform of the planning system that will nurture a strategic, proactive force for creating inclusive, accessible, safe and sustainable communities. Planning is about improving the quality of life and of places.

The 2004 Act establishes a system for making better plans and better planning decisions more quickly. It introduces a simpler, more flexible plan-making system in the shape of local development frameworks. LDFs are made up of a suite of planning documents covering various aspects of spatial planning instead of a single all-encompassing local plan. In addition to being faster and more flexible, the new system also strengthens community and stakeholder involvement, and it allows people to be involved from the outset and throughout the plan-making process. Local planning authorities are required to set out their plans for creating a local development framework in a local development scheme, or LDS.

I am pleased that Gedling met the statutory target date of 28 March for submitting an LDS to the First Secretary of State, and I am pleased that it has been agreed by him. The LDS demonstrates Gedling's commitment to producing a local development framework. Under the new system, Gedling has agreed to produce a core strategy setting out its spatial vision, strategic objectives and core policies for the borough, a set of generic development control policies, site-specific allocations setting out where future development will take place, an area action plan for Arnold, and a statement of community involvement setting out how the community and stakeholders will be involved in the process. Gedling has undertaken to bring those documents to adoption between 2006 and 2011. I urge my hon. Friend to maintain his obvious interest in planning in the borough under that the process, and I ask him to encourage his constituents to take up the opportunities that the new system brings with it.

[Jim Fitzpatrick]

I turn from the future to the present, and the substance of today's debate. I welcome the opportunity to look at the Gedling plan. Local authorities have the responsibility of being the plan-making authority for land use. It is their job to bring forward local plans that meet the needs of their areas, in line with Government guidance, and national and regional planning policy. The First Secretary of State's role in the local plan process is to scrutinise development plans to identify whether they are consistent with national and regional guidance and whether there are conflicts with the guidance that do not appear to be justified by local circumstances.

At present, we are in a transitional period during which the old-style development plans will be replaced by new-style LDF documents. We are keen for local planning authorities to move as soon as possible to the new development plan system in accordance with procedures under the 2004 Act. During the transitional period, we wish to maintain continuity in the development plan system and minimise transitional costs. Local planning authorities, such as Gedling, that are in the process of bringing forward plans under the old system are allowed by the 2004 Act to continue that work through to adoption. That was vital to ensure that detailed work and community involvement previously carried out would not be wasted, and to avoid the potential for a planning policy vacuum.

As my hon. Friend is aware, the first statutory stage of the Gedling replacement local plan process took place in February 2000 with the publication of the deposit draft. The council received duly made objections and produced a revised deposit draft just over two years later, in May 2002. Objectors to the proposals were, of course, given an opportunity to voice their concerns, and were heard by an independent inspector appointed by the First Secretary of State at the planning public local inquiry held in March to August 2003.

The inspector made his conclusions based on the evidence presented to him. He duly put forward his recommendations to the council in his report, which was submitted to the authority for their consideration in spring 2004. With the arrival of our new legislation in September 2004, Gedling borough council needed to decide how best to proceed: to continue with the draft plan, or to abandon that work and begin afresh under the new system.

After a thorough consideration of all the options open to it, which I am aware included seeking advice from the structure plan authorities, the Government office for the east midlands and legal counsel, Gedling decided that the best way to proceed was to take the well-advanced draft plan forward to adoption.

As required, Gedling therefore published a statement of decisions and proposed modifications in January of this year. During its consultation period, Gedling took it upon itself to hold additional public meetings, although there was no requirement to do so at that stage.

I understand that some of the allocated sites within Gedling's proposed modifications, involving the development of greenfield land and changes to the green belt boundary, are a source of concern to my hon. Friend and some of his constituents. These concerns relate to a perceived failure of the borough council to comply with national planning policies in allocating the sites, particularly the need to follow a sequential approach. I am aware that my hon. Friend also believes that Gedling may not have taken into account material changes that have occurred since the publication of the inspector's report, as well as housing figures emerging from the Nottinghamshire joint structure plan review.

I recognise these concerns and the strongly held views from which they arise. I also recognise the difficult choices facing local planning authorities in balancing the need to meet the demand for housing and employment against the need to protect the environment. In making the decision on where to locate new development vital to sustain and meet the needs of its borough, Gedling has followed the requirements of the plan-led system, and has kept the Government office informed of its intentions throughout.

As I have said, it would be inappropriate for me to comment on the merits of specific policies and allocations proposed by the Gedling replacement local plan, as this could be regarded as prejudicing the First Secretary of State's impartiality in performing his statutory responsibilities.

I can, of course, assure my hon. Friend that all the proposals put forward in the Gedling replacement local plan have been scrutinised by officials on behalf of the First Secretary of State. Rigorous assessment was given at each statutory stage as to the consistency of the proposed policies and allocations within national and regional planning policy guidance which seeks to ensure sustainable development.

In carrying out this scrutiny, careful attention was given to national planning policy of particular importance to Gedling borough. This included policy for the green belt, as contained in planning policy guidance note 2, "Green Belts"; policy for housing especially for greenfield developments as set out in planning policy guidance note 3, "Housing"; and policy for development within areas of flood risk, as set out in planning policy guidance note 25, "Development and Flood Risk".

Again, as my hon. Friend is aware, it remains open for the First Secretary of State to consider the scope and appropriateness of taking any formal action in respect of the draft replacement plan before it is formally adopted. Of course, he will also know that the First Secretary of State's powers of intervention are used sparingly and only as a last resort.

I am aware that Gedling borough council has this week published its proposals to adopt its replacement local plan without any further modifications after 11 July 2005. Officials are currently giving detailed consideration to the issues involved and, I am sure, will scrutinise my hon. Friend's comments today as part of that scrutiny process. My hon. Friend will receive a response to his further letter to the Deputy Prime Minister in due course.

I will, of course, ensure that my hon. Friend is informed of the First Secretary of State's decision with regard to the Gedling replacement local plan as soon as possible.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.

Westminster Hall

Thursday 16 June 2005

[MISS ANNE BEGG *in the Chair*]

Inter-Parliamentary Union

Motion made, and Question proposed, That the sitting be now adjourned.—*[Kevin Brennan.]*

2.30 pm

The Minister for Trade (Ian Pearson): I am delighted to open this second debate on the work of the Inter-Parliamentary Union. Everybody agrees that last year's debate was lively and informative, as I am sure this one will be. The fact that the Whips have made time for the debate in a busy programme is clear recognition of the importance of the IPU to Parliament. It is active in many areas of democracy-building and human rights, and the British group's contribution is widely respected and valued.

At this stage I shall speak briefly, as I hope to respond to the debate later. I pay tribute to the IPU and its splendid work in furthering democracy. It is vital to encourage the democratic process in the Parliaments of newly democratic states; in promoting the values that we in this country hold so dear, the British branch of the IPU brings credit to Britain.

I take this opportunity to congratulate my right hon. Friend the Member for Cynon Valley (Ann Clwyd) on taking the chair of the British group. She cannot be here today, but I look forward to hearing her colleagues inform us about the IPU's activities over the past year.

IPU visits and meetings with other Parliaments create a good environment for the lively exchange of views on a wide variety of topics, and the twice-yearly conferences allow members to discuss matters of common interest at an international level. My colleagues tell me that they very much value the bilateral visits. As far as the work of my office will allow, I will try to meet members who visit this country.

I understand that many Members want to speak in this debate, and I very much look forward to hearing their speeches and, with the leave of the House, replying to the debate.

2.32 pm

Roger Berry (Kingswood) (Lab): First, I congratulate the Minister on his new position. Being a Minister in the Foreign and Commonwealth Office and the Department for Trade and Industry must involve a certain amount of delicacy, although I am sure that he will not find it uncomfortable. I genuinely wish him well in his new post. May I say how grateful we in the British group of the Inter-Parliamentary Union are for the support and encouragement that we have received from Ministers and officials at the FCO? We could not function without that support.

I am one of two vice-chairs of the British group. My co-vice-chair, if I may use that clumsy term, is the hon. Member for Old Bexley and Sidcup (Derek Conway), who I gather is engaged in urgent business in South Staffordshire this afternoon. Normally, I would wish him well, but given the circumstances, I simply wish him a speedy return. I speak also in place of my right hon. Friend the Member for Cynon Valley (Ann Clwyd), the chairman, who has urgent business in north Wales, which, I understand, has nothing to do with the by-election. She sends her apologies for being unable to attend the debate.

Several of us met in Westminster Hall last July for the first debate of this kind on the IPU's work, although I am not entirely clear why it was the first given that the IPU was set up in 1898. The then chair of the British group, my hon. Friend the Member for Erith and Thamesmead (John Austin), used his experience as chairman and acting chairman for four years to present an authoritative account of what the IPU undertook during his time in office. Having been a vice-chairman for only seven months, and taking into account the intervention of the general election, I could not possibly attempt to speak with such authority on this occasion. If I have the chance to speak in such a debate in future, I hope to do better.

Before I comment on the activities of the IPU since the previous debate, I place on record the British group's thanks to my hon. Friend for his outstanding contribution in chairing the group. He faced some difficult challenges during his period of office—challenges that he outlined in some detail in last year's debate. He fulfilled his role with great skill and tact, and he won nothing but admiration from the officers and members of the executive committee during that time. He will continue to serve on the international IPU executive until October 2007. After observing the rather interesting convention that the chair of the British group cannot go on an outward delegation, my hon. Friend is now eligible again to do so, which I am sure he will enjoy.

Eight members of the British group's executive stood down at the general election. They include four former vice-chairs of the group: Dame Marion Roe, John Wilkinson, Donald Anderson and Tom Cox. I am sure that all hon. Members will wish them well and thank them for their service to the British group. I particularly thank the two most recent vice-chairs, Dame Marion Roe and John Wilkinson. Dame Marion was vice-chair from 1998 to 2001, and John Wilkinson from 2001 until last November. They made an enormous contribution to the British group and to the IPU internationally. As many know, Dame Marion was a great campaigner on child protection and women's issues; and John Wilkinson served with distinction as one of the vice-presidents of the peace and international security committee of the international IPU. We shall miss them both.

I thank finally the British group's general secretary, Kenneth Courtenay, and his staff who as best they can always keep us on the straight and narrow.

I shall focus on what has happened in the IPU since our last debate, looking first at the IPU internationally and then at the British group. There have been two IPU assemblies since our last debate—in Geneva in September and October last year, and in Manila in April. I did not attend those assemblies, and was hoping that either my hon. Friend the Member for Erith and Thamesmead or my hon. Friend the Member for Mansfield (Mr. Meale), who attended both, would be

[Roger Berry]

here this afternoon to help me if I was asked any difficult questions; but as you can see, Miss Begg, they are not. I thought that they were both pretty heroic in serving the IPU in Manila four weeks before polling day. However, I checked their majorities and found a second reason for envying them.

To illustrate the importance of the IPU's work, I shall give some idea of the key issues that were debated and resolved at the two assemblies. At the Geneva assembly in September and October last year, the first standing committee on peace and international security drafted a resolution on the role of Parliaments in strengthening measures for non-proliferation and disarmament, which was agreed. The second standing committee on sustainable development, finance and trade drafted a resolution on the role of Parliaments in preserving biodiversity. The third standing committee on democracy and human rights drafted a resolution on Beijing plus 10. There was also an emergency debate on Iraq, which I shall deal with in a moment. That gives hon. Members some idea of the topicality and importance of the issues debated at that assembly.

In April earlier this year, at the Manila assembly, three standing committees drafted resolutions on crimes against humanity, the millennium development goals and HIV/AIDS, and there was an emergency resolution on natural disasters, which was hardly surprising in light of the tsunami tragedy earlier this year. That illustrates the extent to which IPU assemblies focus on issues that are important and topical to parliamentarians throughout the world.

For some time now, Iraq has been one of the most important issues on which the IPU has focused. As I said, the emergency item at last year's assembly in Geneva was the situation in Iraq and the need for parliamentary action to restore peace and security in that country. The assembly reaffirmed the fundamental importance of multilateralism and international co-operation in resolving conflicts between states. It condemned the killing of innocent Iraqis and other nationals, as well as the continuation of hostage taking. It called for free and fair elections, for democracy and the rule of law and for the establishment of a new and legitimate Parliament in Iraq. It underscored the fundamental role that neighbouring countries must play in bringing a positive change to the situation in Iraq and called on them to strengthen regional security, notably by providing humanitarian assistance and reconstruction aid. Lastly, it encouraged the United Nations to avail itself of the IPU's expertise to support the new Iraqi Assembly during discussion of the draft constitution.

The last part of that resolution—the offer of the IPU's expertise in parliamentary matters—demonstrates that the IPU is not, and should not be, just a talking shop. That, as we all know, is always a danger for any organisation. The IPU exists to get things done—in this case, to strengthen representative institutions. After the assembly adopted the resolution, the Iraqi Transitional Assembly invited the IPU to provide assistance, and the IPU is currently working with the UN on a joint programme of assistance to develop representative institutions and parliamentary democracy in Iraq. That illustrates the important role that the IPU does, and must, play.

Human rights is another issue on which the IPU is extremely active. I mention that not only because my right hon. Friend the Member for Cynon Valley, who chairs the British IPU group, would be extremely upset if I did not do so, but because human rights are a crucial aspect of our work. My right hon. Friend has served on the IPU's human rights committee with distinction for many years. She never resists an opportunity to point out how important it is in defending parliamentarians throughout the world whose human rights have been violated. We could never imagine experiencing such a situation in this country, but anyone who reads the accounts of the work in which she and her colleagues on the committee are engaged, as well as the resolutions that they produce, can only be shocked at the number of parliamentarians throughout the world whose human rights are infringed. What is perhaps even more shocking is the number of countries in which parliamentarians' human rights are still violated. There can be no doubt that the committee's work on parliamentarians' human rights is an extremely important part of the IPU's activities.

Before I move on to say a few words about the British group, I want to turn to the issue of HIV/AIDS. We all know the devastating human, economic and social impact of HIV/AIDS. In his famous speech on international AIDS day, on 1 December 2003, Nelson Mandela said that AIDS was nature's war against the very survival of humanity. That raises a question: why are we not fighting HIV/AIDS throughout the world as if it were a war?

I am not saying that not many countries are doing that, because many are. Our Government, and others, are very active in fighting HIV/AIDS, but I suspect that very few of us can say that we know of no other countries where there is a lack of political leadership in dealing with the AIDS crisis, where politicians deny that there is a problem or where Parliaments do not devote the time that they should to debating HIV/AIDS.

I was therefore very pleased that a comprehensive resolution was passed at the Manila assembly on the role of Parliaments in advocating and enforcing the observance of human rights in the strategies for the prevention, management and treatment of the HIV/AIDS pandemic. That resolution has received a positive response from UNAIDS, and I am delighted that the IPU is increasing its work with the United Nations to mobilise Parliaments to take the action that they must take to implement measures for both prevention and treatment. The resolution clearly recognises that Parliaments need to share their experience of tackling the HIV/AIDS crisis.

In the 1970s, I worked for four years in Papua New Guinea, which I visited again last year. Indeed, I am fortunate enough to be visiting it this year to celebrate its 30th anniversary of independence. AIDS is starting to become a very serious issue there, but it is nowhere near as serious as it is in many parts of Africa. Immediate action is therefore required, because, to be perfectly frank, it is one of the countries that I think of when I say that politicians in general are in denial, that action is not being taken, and that sufficient effort is not being made to learn from the experiences of other countries, particularly in Africa, in how to address some of the HIV/AIDS issues.

We are very fortunate to have David Gordon-Macleod as our high commissioner to Papua New Guinea in Port Moresby. He has raised the issue with great commitment in that country, but whenever I think of the HIV/AIDS crisis, I think of Papua New Guinea and other south Pacific countries—countries outside Africa—which, frankly, often say, "We are not Africa; we don't have that problem." I am sorry, but so many countries do have this problem and are, as I say, in a state of denial. Therefore, one of the crucial things that the IPU can do is get parliamentarians to share experience so that action can be taken to deal with the crisis.

Turning briefly to the work of the British group, to which my hon. Friend the Minister alluded, most hon. and right hon. Members probably think of the IPU as synonymous with bilateral exchanges. We have both inward and outward delegations, which are an important part of what we do—indeed, we receive between six and nine incoming delegations a year, and we send out a similar number—but we now also offer limited financial assistance to affiliated all-party country groups. I am sure that my hon. Friend the Member for Wirral, South (Ben Chapman) will comment on that, as he happens to be the chairman of the all-party group on Vietnam and has benefited from the IPU's support. The financial year 2003–04 was the first year in which the scheme operated. We believe that it has been very successful in giving some modest but much-needed financial support to some of the all-party country groups.

I want to repeat an important point that I made in last year's debate. The value of inward and outward delegations does not depend solely on what happens during the five or six days involved. Perhaps that is obvious, but I wonder whether we always ensure that the benefits of those exchanges are not transitory, but permanent. I will give the example that I gave last time.

I first went to Lithuania in September 2001, at the invitation of the British group. I was asked to lead the delegation—I am not sure why, because I had never been there before, but we will not go into that. Apart from saying that it wanted to be a member of NATO and the European Union, Lithuania's message was that it wanted parliamentary links with other countries in the European Union and, in particular, with the UK. So, we came back and established a group and now, once a year, members of the all-party Lithuania group use their European travel allowances—for the miserable two days that we are given—to meet parliamentary colleagues in Vilnius and other parts of Lithuania to share views. We also welcome those colleagues here. We have close contacts with the Lithuanian ambassador in London and our ambassador in Vilnius. Many other all-party country groups do precisely the same thing, but the British group of the IPU simply cannot give major support to all the country groups in this place. It is not physically possible; the resources are not there.

Our group has continued its work with Lithuania with little subsequent IPU involvement, but, without that initial outward delegation four years ago, we would not have had the kick-start to build close relationships with parliamentary colleagues in that country. The benefits of outward and inward delegations are not represented solely by what happens during the few days involved. If developed properly, the benefits are much more long term and of enormous value.

As we all appreciate, the founders of the IPU were far-sighted internationalists, who had a deep commitment to seeking to resolve conflicts peacefully. As I said, the IPU was established in 1889 and predates the League of Nations, let alone the UN. It also has the advantage of being a forum for discussion between parliamentarians, not Governments. We are all—not only those of us on the Back Benches—aware of that important distinction. It is important that parliamentarians have a way of communicating with each other internationally and helping each other by working together on matters of mutual interest. The founders of the IPU—so long ago—were far sighted in establishing such an important institution. Arguably, the need for internationalism and to resolve conflicts peacefully is as great now as it was more than 100 years ago.

There is some talk about globalisation being the problem that humanity faces. Globalisation is not new. It has always been there; it is just in a somewhat different form today. The challenge—the problem—is how, in an increasingly globalised world, we can develop a real international community that represents the interests of the people who live on this planet. That can be done only through representative institutions. That is the only way that the majority of people can have their voices heard. The work of the IPU is essential if we are to succeed in the task of building representative institutions that reflect the voices of the majority of people who live and work on this planet.

2.54 pm

Ben Chapman (Wirral, South) (Lab): I join my hon. Friend the Member for Kingswood (Roger Berry) in congratulating the Minister on his appointment. I have done so privately, but this is my first opportunity to do so formally and publicly. This is also the first opportunity that I have had to speak under your chairmanship, Miss Begg, and it is a great privilege to do so.

I join other hon. Members in praising the good work of the IPU. People may think that international relations are conducted between Governments and at intergovernmental level by Ministers, state officials, ambassadors and the like. However, the IPU plays a crucial complementary role. Since its inception in 1889, the network of parliamentarians from its 141 member Parliaments has achieved many successes. It is my impression that the IPU performs miracles in the UK, with very limited resources. It is an exemplar of value for money, organising numerous visits and events each year on a budget of £1.5 million with just seven staff.

The IPU has been a consistent force for democratisation around the world, and many countries have benefited in some way, small or large, from the IPU's help and advice, through delegations and continued contact. Even when Governments have been in dispute, parliamentarians have met at IPU assemblies. One has to praise our parliamentarians—both from this House and from the other place—who have participated and have devoted valuable time to the work of the IPU. I particularly praise the members of this House, because participation in the work of organisations such as the IPU is not necessarily

[Ben Chapman]

seen as a vote-winning opportunity. None the less, they have extracted themselves from the exigencies of the parliamentary treadmill, and devoted considerable time to the work. I thank them for that.

Perhaps I should thank especially those hon. Members who have volunteered their services and expertise at officer level. It is a time-consuming sacrifice, which has benefited this country and others. I add my thanks to those of my hon. Friend the Member for Kingswood to Ken Courtenay, as secretary, and all the staff who work with him in Westminster Hall.

As has been said, I am chairman of the all-party Vietnam group. I am also chairman of the all-party China group, and I should like to say a few words in the context of the IPU about the funding of such groups. I was privileged to lead a delegation to Vietnam last September. My hon. Friend the Member for Kingswood joined me, as did my hon. Friend the Member for Eccles (Ian Stewart). I like to think that the trip was a considerable success. It was a chance for parliamentarians to see at first hand the progress that Vietnam is making, both on the economy and on democratisation; we met representatives of British firms operating in the country and gained a better understanding of trading opportunities for both sides; we saw what was being done by the Department for International Development, working in partnership on poverty reduction; we visited a subsidised boarding school for ethnic minority children; and we examined allegations of religious persecution in the central highlands.

We took part, with Vietnamese Members of the National Assembly, in two series of workshops. It was an effective mechanism to sit down together for half days at a time on several occasions, in both Hanoi and Ho Chi Minh city, to consider Government accountability and public service reform. We took the opportunity to press the authorities for greater freedom with regard to use of the internet; the Foreign Minister reiterated his hope that the death penalty would be abolished by 2010; and we secured the commitment that the National Assembly Members would continue to focus on poverty reduction programmes to ensure social and political stability, and on strengthening democracy in the country. Our hosts welcomed the role that we would try to play in Vietnam's bid to join the World Trade Organisation and to become a non-permanent member of the United Nations Security Council in years to come.

That list of achievements was made on a shoestring. We had a small contribution from the British Council, an extremely gratefully received contribution of £5,000 from the IPU and some small commercial sponsorship. That has led to a continuing relationship with the National Assembly, which, it is envisaged, will bring the same National Assembly Members who participated in our workshops back to the United Kingdom to undertake incremental work in that regard. They will also spend time with the UK members of the delegation in our constituencies to develop not only a bilateral national relationship but a particular relationship with individual Members of Parliament. That is important since Vietnam wants to enter an Anglophone world, as well as having been in a Francophone world. It has an ambiguous relationship with the United States and it wants to play its full part on the global stage. Vietnam wants to democratise and to play a key role in world events. Our £5,000, modest though it was, has made some contribution to that end.

I am also chairman of the all-party China group, as I have said, and we look forward to receiving our £5,000 when we go to China. However, although the £5,000 is welcome, it simply is not of the order of funding that is required if the group is to develop its full potential and the relationships between the two countries. I believe that China, in particular, has plenty of potential. With the support of Members of this House and other organisations, we want to deepen and widen the relationship between China and the United Kingdom.

Even with all the publicity that one sees about China, its importance, its challenge, its opportunity and its effect on our daily lives in the future is not understood to the extent that it needs to be. China is a mega power. It is a country of 30 different countries and nationalities; each province is the size of a European country. The economy of each province is the size of that of a European country. It has between a fifth and a quarter of the world's population. China is, by some measures, the second largest economy in the world, and by any measure it will be so by about 2020 if it continues on present trends.

China's economy has grown at an average of 10 per cent. per annum since 1978. China is not selling us cheap, shoddy goods with pirated intellectual property; it is selling us high-quality goods down and up the technology spectrum. Frankly, the effect of China on our economy and our workers, and on the global economy and its workers, will be profound, particularly when viewed alongside that of India. We all have to take some notice. My hon. Friend the Member for Birmingham, Northfield (Richard Burden) will have taken some notice in the context of Rover. We have to take notice of the developments in China. We want to develop our relationships with China as much as we can.

China has undergone a massive transformation in recent years. More people are moving to the cities and giving up their traditional lifestyles. Skyscrapers dominate the skyline. Western brands fill smart shopping centres. Take-up of mobile phones and computers has soared in recent years and there are an estimated 90 million internet users—four times the number in 2000. That is a phenomenal expansion.

China is growing not only economically but in terms of its political influence. It is a joint permanent member of the Security Council along with the United Kingdom. It has become a regional and world leader. It is a leader of developing countries, not least in the context of Kyoto and environmental issues. It is a power in the land. We try, as best we can, to play our part in developing our relationship with China. However, that has not been possible in recent years because we have had no funds.

We last visited China in 2002. Given that the place is changing so quickly, that is simply not enough. They say, apocryphally, that 75 per cent. of the world's construction cranes are in Shanghai. That may not be true, but it certainly gives the appearance of being true. We have to engage with this economic and political superpower. To fund a programme of activities, as my Chinese counterpart and I have identified, would, we conservatively estimate, require a budget of £60,000 per annum. We have talked of

running exchanges involving not only formal groups but individual sets of parliamentarians—specialists, for example, in technology or the environment. We have talked of exchanges involving individual parliamentarians, staff exchanges and language exchanges between our Parliaments. British Members of Parliament could go to China to learn Mandarin; Chinese Members could come to Britain to learn English.

People talk of the Chinese learning English, but at least as large is the question of what we are doing about learning Mandarin. People talk about the Chinese becoming westernised, but when will we become orientalised? We will certainly have to, because the centre of gravity—globally, economically and politically—is moving eastwards. We need to take account of that, and I hope that we can take advantage of it too.

Previously, the all-party group has gone to China pretty much ad lib and at the expense of the Chinese. However, they have got wise to that and say that we must reciprocate and pay our own way. It is right that we should have proper funding for all-party groups. China is particular, of course, because it is now part of a new, tripolar world. Our group has 260 members and we have gone as far as we can in building it up, given that our secretariat has consisted of about 5 per cent. of my researcher. We cannot go on doing that; it is vastly important that we organise things properly.

I do not say that exclusively in relation to China. Only the Vietnam all-party group receives Government funding at present; that funding has recently increased and exists for historical reasons. However, we should consider proper funding, probably administered via the IPU, for all the groups. The £5,000 writ large could do so much. I have started discussions about Government funding for the China group and all-party groups as a whole. I recognise that there are a lot of them and the commitment that such funding would involve, but I also recognise that the bang for the buck is considerable. The issue needs thorough and fresh examination. Surely it cannot be right that, when we visit countries such as—I pick them at random—Ethiopia and Togo, which have a mere fraction of our gross domestic product at their disposal, we ask them to fund our all-party group's visit. As I say, we need to consider how the IPU might take on more funding and help the all-party groups to conduct their business properly. We have started down that road, and we have to continue down it.

Normally, it is not possible to take spouses on IPU delegations, and I am sure that there are good reasons for that. However, those Members of Parliament who live outside London spend probably 40 weeks of the year apart from their partners or spouses, and are reluctant voluntarily to spend more time apart from them on top of that. In my experience, taking spouses or partners on delegations—obviously at the Member's own expense—has enhanced those delegations and added to the camaraderie, critical mass, cohesion and atmosphere of the group. As I say, there must be good reasons why, traditionally, spouses and partners are not allowed to go, but the issue might need to be considered again. If they were allowed, that would certainly help me in my participation in overseas visits.

I see bilateral relations between any two countries as a pie chart. The variety of slices and their size will vary according to the countries involved. The slices will relate to trade, cultural relations, sport, education, civic and twinning relationships, military relationships and so on. In volume terms, the slice that reflects the parliamentary exchanges will be a slim one, but in importance it is a vast one. Relationships between Parliaments are vital, since Parliaments are measures of countries' places in the global society and of the way in which they have progressed towards democratisation. They are the voice of the nation and are law-making and decision-making bodies. What they do affects every other slice of the pie chart.

Given the importance of that parliamentary relationship, may I suggest that we examine what the Inter-Parliamentary Union is currently doing and the value for money we get from it? We should also consider what more it can do, particularly in relation to developing the role of the all-party groups further. Will the Minister and his officials examine that carefully, with the offices of the IPU and the IPU secretariat, to see how it might be taken forward?

3.11 pm

Richard Burden (Birmingham, Northfield) (Lab): It is a pleasure to follow my hon. Friend the Member for Wirral, South (Ben Chapman), whose expertise on Vietnam and China is well known. He has demonstrated it again today. I take his point about funding and I will say something about it in a minute. Following his argument, I was beginning to wonder whether he was going to put in a claim for organising all-party group funding on the basis of per head of population of country visited. I began to work out how that would sort itself out in relation to his being the chair of the all-party group on China.

I also welcome you to the Chair, Miss Begg, and add my congratulations and welcome to my hon. Friend the Minister—a fellow west midlands Member of Parliament. It is good to see him here. I also congratulate my hon. Friend the Member for Kingswood (Roger Berry) on his comments and the issues that he raised. I congratulate him particularly on the thanks that he expressed to my hon. Friend the Member for Erith and Thamesmead (John Austin), whose contribution has been very welcome over the years in his time as the chair of the British inter-parliamentary group, and to my right hon. Friend the Member for Cynon Valley (Ann Clwyd).

My hon. Friends the Members for Kingswood and for Wirral, South made the point that none of us could do what we do, were it not for the work of Ken Courtenay and the staff of the IPU. I give special thanks to them. I add my endorsement to what my hon. Friend said about the need for the IPU, not just in relation to the value of its work on raising the profile of the HIV issue but about the need to increase it. His point about politics in too many parts of the world being in denial on the issue was well made.

I have the privilege of chairing one of the newer country groups in terms of its affiliation to the IPU: the all-party group on Palestine. It is a unique group in many ways, because, while it is building friendship between two countries, two peoples and two Parliaments, only one of those countries has a state. That presents particular challenges for how to build the relationship. It is a new venture for the IPU, but it is a valuable and important one; that is certainly the case in relation to delegations.

[Richard Burden]

My hon. Friend the Member for Wirral, South said that asking particular countries to fund delegations was not fair on them. That is even more of a problem when we ask a people without a state to do so. Before affiliation that was one of the problems we faced in relation to the all-party group on Palestine; there was no funding at our end and too much poverty and too little funding at their end. We found ways round that. I remember on one delegation that I led out there a couple of years ago, my meanness became renowned. We got back to the UK and I worked out how much to charge the other members of the delegation. I kept the costs down so much that, had we been able to claim money, we would have come in, per capita, below the registration level for the Register of Member's Interests. That was going some, including all the accommodation, the air fares and so on. I would not like to say too much about the particular airline that we travelled on, but I managed to get the costs down that far.

How we build that relationship, particularly with the Palestine Legislative Council, is important for the future. Even the £5,000 that my hon. Friend the Member for Wirral, South talked about will be welcome in future. It is going to be an issue in that context very soon. The Palestinian presidential elections took place early this year. The European Union, and various other bodies and national Parliaments, sent observers there. This Parliament did not send any. As an all-party group, we wished to send observers, but finding mechanisms for funding was exceptionally difficult. At the end of the day, I am pleased that the Foreign and Commonwealth Office stepped in and enabled a delegation to happen. That was important. As parliamentary elections will hopefully be happening in Palestine in the not too distant future, perhaps we will raise that question again. I use the opportunity of this debate to address that question to the Foreign Office and ask the IPU to consider how it could perhaps facilitate the kind of observation that was so valuable in the presidential elections.

Most poignant for me, in showing the value of the IPU in Palestine, was when history was made last year when this Parliament received the first ever official Palestinian parliamentary delegation in the House of Commons. That was important in three ways. It was important in giving Palestinians the diplomatic and inter-parliamentary recognition that they deserve. It was certainly important in building their confidence and allowing dialogue to take place on how they build their democracy under the particular conditions facing them. It had a third importance, however, which none of us was expecting, and it was a tragedy that it did. They were here in the spring of last year at exactly the same time as the major Israeli military incursions into Gaza, particularly into the town of Rafah. Many homes and buildings were demolished and thousands were made homeless. I think two of the parliamentarians on the delegation came from Rafah. While they were here, they did not know whether it was their friends and families who were being made homeless or whether it was their houses that were being destroyed. It was tragic that it was the case, but the third important thing was expressing solidarity and understanding, parliamentarian to parliamentarian, at a time when their thoughts, even though they were meeting us here, were inevitably with their families and friends there. That is a graphic example of why delegations are important and why building links between parliamentarians is important. It is something we must build upon in that part of the world, and I am sure we will. I look forward to working with the IPU in doing so.

Towards the latter end of last year, I was able to join an IPU delegation to Lebanon. The importance of the IPU is demonstrated there as well. In the summer of last year, Lebanon was not much in the news. A United Nations Security Council resolution had been passed just a month or so before the delegation went there. It had received virtually no publicity in this country, virtually no press comment. I am not sure if it generated one single parliamentary question during the Parliament. It was UN resolution 1559 and was particularly important in relation to the political situation in Lebanon at the time. It was important that the IPU delegation was able to go there to explore what was happening—to find out about and discuss some of the things that had been all too obvious to the rest of the world from the events of the previous two months.

I want to mention the Palestinian connection again. Two members of the delegation—the hon. Member for South-East Cornwall (Mr. Breed) and I—were able to visit Shatila refugee camp on the anniversary of the massacre of civilians there all those years ago. We saw squalor and poverty equal to anything that I have seen in the Gaza strip today. It was a reminder to us that—in addition to the task of overcoming those refugees' problems and allowing them dignity and, hopefully in due course, a right to return to their homeland—the living standards in Lebanon today should not be ignored. Were it not for the IPU delegation, even those of us who are active on the issue of Palestine would not have had that forceful reminder not to forget what is happening in the camps in Lebanon.

The IPU is tremendously valuable and I am sure that it will continue to be so in the years to come. Before I came here today I obtained my weekly briefing note from the United Nations Office for the Co-ordination of Humanitarian Affairs, based in East Jerusalem, which lists the events of the past week. On 8 June demolition orders were issued because there were no building permits for tents, barracks and animal pens in the Bedouin area to the south of Hebron. The demolition order covers 12 structures housing 90 persons and 600 sheep. Also last week Israeli border police fired tear gas canisters and shock grenades inside the compound of an elementary school in East Jerusalem. Several students suffered from gas inhalation.

On the other side of the fence, in that week a total of 56 home-made rockets, mortar shells and anti-tank missiles were fired from different locations in the Gaza strip towards Israeli settlements, nearby Israeli towns and Israeli military installations. In the same week on the west bank a Palestine Red Crescent ambulance team tried to reach a patient in the town of Tulkarm. When the team reached the scene Israeli soldiers were standing next to the injured person. The crew administered emergency treatment, but the soldiers did not allow them to transport the injured person to hospital.

Reading such reports every week is a reminder of the importance of what my hon. Friend the Member for Kingswood said about the need for the IPU and all parliamentarians to continue to take up human rights

breaches wherever they happen. I hope that through our relationship with the IPU the all-party Palestine group can continue to make an important, if modest, contribution to achieving and promoting the peace that ordinary Israelis and Palestinians deserve and to building the democracy and understanding that is at the core of the parliamentary democracy, to which we are all committed.

3.24 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): It is a privilege to follow so many other hon. Members with more experience and expertise than I have about the work of the Inter-Parliamentary Union in this second annual debate on the subject. The timing of the debate is perhaps more appropriate than it might at first seem. On a day when, judging by the news reports this morning, the British and French Governments are at each other's throats in Brussels, it is perhaps worth recalling that it was two Back Benchers—one from France and one from Britain—who founded the IPU back in 1889. Perhaps the spirit of partnership that prevailed between parliamentarians on that occasion could usefully be transported through time to the slightly more vexed condition of bilateral Franco-British relations today.

I want to confine my remarks to exploring what has perhaps become a commonplace observation: Parliaments of all shapes and sizes have their work cut out to retain their visibility, relevance and credibility in a world where globalisation and the 24-hour media industry have made their traditional procedures at times appear more slow-footed than the rapidity with which events evolve. I am struck by an observation that Professor David Beetham made at a panel discussion convened by the IPU in January on the parliamentary dimension of democracy. He summed up that challenge by saying that

"there is the perception that parliaments are increasingly being bypassed in the governing process, and both collectively and individually, their members are held in low public esteem."

I am not sure whether such pessimism is always warranted, but I imagine that all hon. Members present would agree that one of the greatest dilemmas for national Parliaments is that so many of the issues that dominate public debate are international and supranational in nature. Whether we mean the great fraught discussion about the European Union and our place in it or the issues to be discussed at Gleneagles in a few days—global warming, the plight of some of the poorest nations in developing countries or trade justice—many things can be dealt with only internationally and supranationally, often most fully by organisations that operate at a level far above the nation state. So far at least, however, the structures through which democratic accountability is most fully exercised are rooted in each nation's history and confined by the limits of the nation state. That is a slightly long-winded way of summarising what is often described as the democratic deficit. How do we exercise accountability in a world in which so many decisions escape the clutches of the parliamentary institutions with which we are familiar?

A number of innovations have been developed over the years to try to fill that democratic deficit. One such solution is the European Parliament, with which the hon. Member for Vale of York (Miss McIntosh) and I, as former Members, are familiar. The European Parliament is perhaps the most advanced attempt to create a supranational institution to fill the democratic deficit. However, without in any way wishing to cast aspersions on that important body or the valuable work of my former colleagues, I think that it is fair to say that the European Parliament does not enjoy the same degree of legitimacy that Parliaments such as ours do, given that parliamentarians in this place and in other national Parliaments are closer to their electorates than supranational parliamentarians could ever be. In that context, the work of the IPU is so important, because it brings together representatives of national Parliaments. They are the most fully equipped to speak on behalf of the electorates and, in so doing, exercise the greatest form of political accountability on events around them.

I would like to pick one example of that, which is terrifically important. In preparing for today's debate, my eye was caught in the papers that I downloaded from the IPU's excellent website by the joint initiative that the IPU has launched with the European Parliament to create a standing parliamentary conference on the World Trade Organisation.

I am not sure whether other hon. Members share my feelings, but one of the things that struck me in the recent general election campaign was how international issues such as trade justice and global warming seemed to captivate the imaginations of many voters, particularly younger voters, more than any other matter. An organisation such as the World Trade Organisation, which used to be an obscure, little-known, technical body on the shores of Lake Geneva, has moved into the centre-stage of high street petitions about the economic imbalances of the world trading system and the rights and wrongs of the trading relationship between the developed and the developing worlds. We are all familiar from contact with our constituents with the centrality that trade policy and the World Trade Organisation now seem to play in contemporary political debate.

That the IPU in conjunction with the European Parliament should have convened this parliamentary conference is extremely timely. If we ever hope to fill the democratic deficit in which important decisions are taken—often by unelected decision makers in bodies such as the World Trade Organisation, and on issues that have such great political resonance—then the construction of some flanking parliamentary arrangement is of great urgency. That could try to shed the light of political accountability on what are otherwise often rather obscure, technocratic and not wholly transparent developments.

In that vein it would seem logical that the work of the Inter-Parliamentary Union should continue to focus as much as possible on those issues that we know are, first, of great importance to our constituents, but secondly, by their very nature ones that we cannot settle on our own in this place or, indeed, in any other Parliament in any other nation. A long list of candidates issues spring to mind, but one is global warming. I am sure that I speak in ignorance on this point and that the IPU has done work on it, but global warming seems a perfect example of another trans-border or transnational issue on which the IPU is ideally suited to create a greater sense of parliamentary and political accountability, which is sometimes lacking at the supranational level.

3.34 pm

Miss Anne McIntosh (Vale of York) (Con): First of all, I welcome you, Miss Begg, to the debate this afternoon. Appearing before you for the first time is a great privilege. I also congratulate the Minister on his appointment. I will have great pleasure in shadowing the Foreign and Commonwealth Office aspects of his trade brief, as well as the human rights aspects. Also, I think for the first time, I formally congratulate and welcome the hon. Member for Sheffield, Hallam (Mr. Clegg) to the House. I am sure he will be happy and will have a great contribution to make.

I was very taken by what the hon. Member for Kingswood (Roger Berry) said, and I would like to touch on some of the points that he and his hon. Friends have raised. I was particularly taken by the comments made by the hon. Member for Wirral, South (Ben Chapman) on spouses not being able to join outward delegations. I do not know whether the hon. Member for Sheffield, Hallam found himself in that position, but in my case it became something of a family joke. When I was a Member of the European Parliament, I was single—never having married. I then married in 1992. My husband worked for an American airline company. As a Member of the European Parliament, I travelled a lot during the week. The family joke was that, while my parents hardly spent a night apart, my husband and I rarely spent a night together. That was one of the reasons why I sought to become a Member of the House of Commons.

I pay tribute formally to the work of the Inter-Parliamentary Union. On behalf of the official Opposition, I lend our wholehearted support to the work of the union. In particular, I record our gratitude to the British group and the work of Kenneth Courtenay and his excellent team. Let me deign to give some advice to the hon. Member for Sheffield, Hallam. On first being elected as a new Member, there are three organisations that one wishes to join. One is the Inter-Parliamentary Union, one is the Commonwealth Parliamentary Association and the other, of which I forget the formal title, is the Anglo-American inter-parliamentary group. Those are three worthy groups.

Both the formal and the informal work of the members of the British group is extremely important, in welcoming incoming delegations and in meeting and making daily contacts that one can build on so that one can lift the phone if there is a trade problem. During the recent troubles with MG Rover in his constituency, I am sure that the hon. Member for Birmingham, Northfield (Richard Burden) picked up the phone to colleagues in, for example, China on more than one occasion.

Like the hon. Member for Sheffield, Hallam, I am coming fresh to the brief, so it is interesting to place in context the historical moment at which the Inter-Parliamentary Union was set up, which was 1889 and to note that eight Nobel peace prizes were awarded to leading personalities from the IPU, most of them between 1901 and 1927.

Alarmingly, in the British context, there are echoes that may strike a chord with current history in the Conservative party. In preparing notes for today's debate, my office discovered that, following Disraeli's death in 1881, the Conservatives entered a period of turmoil. Lord Salisbury became the leader of the Conservative Members of the House of Lords, although the overall leadership of the party was not formally allocated, so Salisbury had to struggle with the Commons' leader Sir Stafford Northcote, a struggle from which Salisbury eventually emerged as the leading figure. He became Prime Minister of a minority Administration from 1885 to 1886, before holding a parliamentary majority from 1886. Salisbury was the last peer to serve as Prime Minister, with the brief exception of the 14th Earl of Home, who renounced his peerage a few days after being appointed. There are certain echoes from the history of that time.

From the website of the Inter-Parliamentary Union, we learn of some of its work. It is interesting to note that the current activities are representative democracy, international peace and security, sustainable development—which is topical because the G8 summit is coming up—human rights and humanitarian law, women in politics and education, science and culture. I join the vice-chairman of the British group, the hon. Member for Kingswood, in paying tribute to the retiring members of the IPU British group, in particular to Dame Marion Roe, John Wilkinson and Tom Cox. They made a considerable contribution spanning a substantial period.

Also noteworthy, particularly with the phenomenal peacekeeping work that the United Nations is doing at present, are the IPU's efforts in supporting the UN. The two organisations share objectives and work in close co-operation. The hon. Member for Sheffield, Hallam referred to the work of the European Parliament—perhaps the most supranational body, although subsidiarity is becoming a buzz word in the absence of a constitution. The IPU's work with other regional inter-parliamentary organisations is important and deserves recognition, as does its work with international, intergovernmental and non-governmental organisations that are motivated by the same ideals.

Given the objectives of the IPU, having a membership of more than 140 national Parliaments gives it quite an entrée, and having seven regional parliamentary assemblies as associate members gives it a foot in those doors as well. I note that most members of the IPU are affiliated with one of the six geopolitical groups that are active in the IPU. The IPU budget is financed by its members out of public funds. For 2005, the budget totals 10.5 million Swiss francs, which is a modest amount for an international organisation.

I was struck by the personality of Albert Gobat, who was the first Secretary General. He was able to stamp his character on the initial work of the IPU. I was particularly taken by the fact that he staunchly supported the principle of equal pay for men and women, especially in the case of telegraphers. I checked with my father and was delighted to note that my paternal grandmother, Alice Anne Ballingall, would have—I hope—been a beneficiary, as she was a telegrapher. I was named after her. I am delighted that Albert Gobat not only made his mark as the first IPU Secretary General but looked favourably on equal pay for men and women, especially telegraphers.

I read the biography of Randal Cremer, who was one of the joint founding fathers of the IPU, on the Nobel Foundation's website. It seems that he had a very sad life. His father—a coach painter—deserted the family while the boy was still an infant. His mother, who was

described as an indomitable woman, raised her son and two daughters despite stringent poverty and even sent her son to a church school, as she was a strong Methodist. At 15, he was apprenticed to an uncle in the building trade, eventually becoming a fully fledged carpenter. He supplemented his meagre formal education by attending lectures, and it was at one of those lectures that he was briefed on the role of arbitration in settling international disputes. That made a real impact on him.

Randal Cremer was described as a lonely man. His first wife died in 1876 and his second wife died in 1884, leaving no children. He lived a simple life, enjoyed nature, worked long hours and was generous. In fact, on being awarded the Nobel peace prize in 1903, he immediately gave £7,000 of the prize money, which totalled about £8,000, to the International Arbitration League of which he was secretary and which later became the IPU. He subsequently gave an additional £1,000. That seems an incredibly generous personal contribution.

I wish to refer to some moving words in the lecture that he gave on accepting the Nobel peace prize in January 1905. He stated:

"It has been the great object of my life to build up and endow a great peace organization which should be powerful enough to combat the forces which make for war, and thanks to the Nobel Committee, I have been able to do a great deal in that direction. Nearly the whole of the fund placed at my disposal has been given to and profitably invested for the use of the League.

My only regret is that I am unable to wholly, instead of partially, complete the endowment."

It continues and I hope that we can take this message away with us this afternoon:

"The world has passed through a night of tribulation and suffering, millions of our fellow creatures have been sacrificed to the demon of war; their blood has saturated every plain and dyed every ocean. But courage, friends, courage! The darkness is ending, a new day is dawning, and the future is ours."

I hope that all those who have contributed to the debate this afternoon will take strength and courage from those remarks and that we will carry on the IPU's excellent international work, particularly through the British group.

I end on a slightly lighter note before inviting the Minister to conclude the debate. His hon. Friends, particularly the hon. Members for Birmingham, Northfield and for Wirral, South, may have given him a rather large tab in the form of a plea for further funding, with which I have some sympathy, particularly when we are receiving such hospitality. I have not yet had the privilege of attending an IPU delegation, although I have attended a Commonwealth Parliamentary Association delegation. I hope that it does not put the Minister in too difficult a position with the Chancellor of the Exchequer, but I pay tribute to the IPU's work; long may it continue, particularly through the British group.

3.46 pm

Ian Pearson: First, I thank hon. Members for their generous comments about my appointment as Minister for Trade with responsibility for investment and foreign affairs. It is a terrific job and I intend to do it to the best of my ability.

The debate has given Parliament a good picture of the IPU's work over the past year. I am pleased to hear that so many colleagues participate in IPU activities, which give opportunities to engage with colleagues from other Parliaments. The Government recognise the value of those inter-parliamentary links and their benefit in strengthening democracy.

I want to add my personal thanks and appreciation to the outgoing chairman of the IPU, my hon. Friend the Member for Erith and Thamesmead (John Austin), and all retiring parliamentarians for their work for the IPU over the years.

I agree with my hon. Friend the Member for Kingswood (Roger Berry), who introduced this important debate impressively and said that the IPU is not and should not be just a talking shop. I totally concur with him in that. It should be about strengthening democracy and human rights.

I am glad that human rights have had such a prominent place in this debate. They are fundamental to democracy and remain at the heart of the Government's foreign policy. The IPU plays a valuable and important role in the defence and promotion of human rights, and the international IPU is right to focus on them. It is good to note that the British group is active in that area.

Some countries that have moved towards greater democracy are those that the IPU has identified as countries of interest. Many IPU visits are to countries where young democracies deserve our support, and sharing the democratic values of this country is a good way to show that support.

Human rights work also covers other areas and the IPU has been engaged in debate to encourage the eradication of the marginalisation of women, child trafficking, prostitution and female genital mutilation. We are right to be concerned about those issues; no effort to encourage human rights is wasted.

The IPU has been particularly active in promoting the human rights of parliamentarians. Without the freedom of expression that we take for granted in this House, true democracy cannot function. It is appalling that in parts of the world parliamentarians are often denied the right of free expression. Some are threatened, prosecuted, imprisoned or even killed, just for having exercised their right of free speech. With the 60th birthday of Aung San Suu Kyi this weekend, the situation in Burma is foremost in many people's minds. She has paid a heavy price for her commitment to democracy and is an inspiration to democrats throughout the world.

Richard Burden: I agree with everything that my hon. Friend the Minister says about Aung San Suu Kyi; she is an inspiration to many. I also want to alert him to the work done by my right hon. Friend the Member for Cynon Valley (Ann Clwyd) through the international institutions of the IPU in raising the cases of two parliamentarians, and to pay tribute to her for that. I should, perhaps, have referred to them in my previous remarks. Two Palestinian parliamentarians, Hussam Khader and Marwan Barghouti, are imprisoned, and their cases need to be highlighted. The IPU has been an important forum in which to do so. We are, however, still waiting for action; Israel has yet to respond to the representations that have been made.

Ian Pearson: I note what my hon. Friend says. There are human rights violations in many countries; the Government take an interest in all of them and we put our position to those countries.

I am pleased to hear that the British delegation to the IPU assembly in Manila in April raised with the Iranian delegation the rights of parliamentarians in Iran. The British delegation also met with the newly formed Association of South East Asian Nations Inter-Parliamentary Myanmar caucus to discuss how we can help parliamentary democracy in Burma. That type of activity can have an effect and will ultimately bring about positive change.

My hon. Friend the Member for Kingswood spoke movingly about the importance of taking action to tackle HIV/AIDS, and I agree with his point that some countries seem to be in denial about the scale of the problem. He will be aware of the extensive efforts that the Government are making in Africa and in many countries elsewhere to provide support for the fight against HIV/AIDS.

My hon. Friend also raised the issue of Iraq. It is heartening that the new chair of the British group of the IPU is the Prime Minister's special envoy to Iraq, my right hon. Friend the Member for Cynon Valley (Ann Clwyd). Who better to ensure that renewed relations between the IPU and Iraq get off on a good footing? It is important to nurture the fragile democracy that is emerging in Iraq, and I hope that it will soon be welcomed back as a full member of the IPU. Judging by the images of 30 January, it is clear that the Iraqi people wanted elections and to enjoy a democratic political process. I understand that the IPU is considering ways in which it can become involved in providing assistance to the Transitional National Assembly. I am glad that Iraq has shown a willingness to rejoin the IPU, and that the IPU has agreed to offer assistance. It is right that the family of Parliaments welcomes Iraq back into its ranks.

I agree with my hon. Friend the Member for Wirral, South (Ben Chapman) that the IPU is a consistent force for democratisation. He spoke about the work of the all-party groups on Vietnam and on China. I note what he says about those groups operating on a shoestring budget, and I appreciate that he feels strongly that that is insufficient, given the development opportunities that exist.

My hon. Friend is right to point to China's phenomenal growth, its increasing power and influence, and the need to develop relationships with it at all levels. I understand that in January he met my predecessor, now the Minister for Higher Education and Lifelong Learning, my hon. Friend the Member for Harlow (Bill Rammell), to discuss the issue of funding for all-party groups. I, too, would be happy to meet him to discuss that. However, he should be aware that the Treasury holds the view that the funding for all-party groups should come from the House of Commons budget. We would also not wish to do anything that might lead to us being accused of compromising the independence of parliamentary groups. Nevertheless, my hon. Friend the Member for Wirral, South raises a valid and important point about China. It is set to become the world's second largest trading nation and economy, and it is right and in Britain's interests that we have relations with China at all levels.

I must also point out that, as a Government, we need to emphasise the human rights violations that currently take place in China, and we will continue to do so. I shall be visiting China early next month and will have the opportunity to raise several issues with people there. I hope to talk to my hon. Friend before I leave.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) spoke about his meanness in respect of travel and expenses. He does not have a mean bone in his body; he has a desire to do things right and an abhorrence of waste typical of many people who come from the west midlands. I congratulate him on his work in respect of Palestine with the IPU delegation and through other means. He is recognised widely as an expert on that part of the world and, along with others, he is playing an important role in promoting peace and human rights in Palestine.

To digress a little, I wish to say how much people in the west midlands value the role played by my hon. Friend following the collapse of MG Rover. He has been a leading light in ensuring that the Government do all that they can to support the workers at MG Rover and their families, and to deal with the consequences in the supply chain and further afield. The constructive way in which he has carried out his role as a constituency Member of Parliament is much appreciated by the Government.

The hon. Member for Sheffield, Hallam (Mr. Clegg) is developing a reputation quickly for being a diligent and thoughtful Member of the House. He covered a range of areas in his speech, but I wish to confine my remarks to what he said about trade. The Government regard it is an important issue. In the run-up to Hong Kong and the World Trade Organisation negotiations, it is important that we push strongly the Doha development agenda. We want an outcome that could take 144 million people out of poverty. Progress needs to be made on agriculture, non-agricultural market access—NAMA—services and trade facilitation. We want to gain the good will of other nations. Given that negotiations will be led by the European Union, of which we shall hold the presidency, the United Kingdom will have a significant voice in those talks. If we can make progress with other countries, we shall put the Doha agenda back on track and see a conclusion to the trade negotiations in 2006, which is the Government's objective. I welcome the IPU's decision to hold a conference on trade issues. I shall certainly take an interest in the outcome of its deliberations.

The hon. Member for Vale of York (Miss McIntosh) rightly acknowledged her support for the IPU's work. One of its great strengths is its non-partisan nature. She spoke eloquently about the turmoil in the Conservative party back in the 1880s and 1890s when the IPU was formed. I am sure that the party's current turmoil will not prevent Conservative MPs from playing a full part in the work of the IPU.

The hon. Lady's contribution was thoroughly well researched and I agree with all that she said, in particular the moving words that she quoted and that were written almost a century ago. She referred also to the G8 and Africa. The Government have made Africa a priority in 2005. On 11 March the Prime Minister launched the Commission for Africa report, which sets out to generate fresh ideas and a comprehensive plan of action on Africa. We want to move it forward in our

capacity as president of the G8 at Gleneagles. Supporting Africa's development will be a key objective in the millennium review summit in New York in September and—as I said to the hon. Member for Sheffield, Hallam—at the World Trade Organisation meeting in Hong Kong in December.

I congratulate the British group on taking the initiative and hosting a parliamentary summit on Africa in London in October with the European Parliamentarians for Africa and the Westminster Foundation for Democracy. That work has an important role to play in building a consensus on doing more to help Africa.

I am also impressed by the long list of inward and outward delegations that the British IPU group has organised—the total for the 2005–06 financial year is 28. The British branch of the IPU has also supported visits by other all-party parliamentary groups. These programmes give Parliament a unique opportunity for dialogue with other Parliaments and Governments. They also give individual MPs the chance to see at first hand the situation in countries that are often the subject of debate in the House. I think we all agree that briefings and written reports are all well and good, but there is no substitute for going to a country and seeing the situation on the ground. One benefit of the IPU is that it provides opportunities to do precisely that. Inward visits to this Parliament, of course, give us a chance to share our traditions and expertise with colleagues from other countries. Foreign Office Ministers have met visiting delegations whenever possible, and we shall continue to do so.

At the IPU's 2004 AGM, my right hon. Friend the Foreign Secretary praised the IPU for strengthening Britain's international links and for helping countries that are struggling to become democracies. The Foreign Office fully supports the British group's work and will continue to do so. Foreign Office departments will continue to offer oral briefings to delegations before they travel overseas, and our posts will be ready to help at visit destinations. Of course, there are limits to the help that posts can give, but I was pleased to read in the report of the delegation to the IPU assembly in Manila of the useful help given by our embassy in the Philippines. That is surely evidence that good relations do flourish.

In closing, I congratulate colleagues on the successes of the past year and I offer my and the Government's good wishes for their forthcoming programmes. Today's debate has shown the IPU, and especially the British group, to be a strong champion of democracy. The wide coverage of the globe and of global problems this afternoon shows the IPU's importance in international relations. I congratulate the IPU and wish its members well in their forthcoming events.

Question put and agreed to.

Adjourned accordingly at two minutes past Four o'clock.

Westminster Hall

Tuesday 21 June 2005

[MR. BILL OLNER *in the Chair*]

Great Lakes (Education Providers)

9.30 am

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Watts.]*

Mr. Eric Joyce (Falkirk) (Lab): It is a pleasure to speak this morning about this particularly important issue. Few Members are present, but I hope that one or two of my colleagues will pop in in due course.

My former parliamentary colleague, Oona King, who is still my colleague in the Labour party, started the all-party group on the great lakes region and genocide prevention, and it has done a great deal of tremendous work. It is still a staffed group, and some of the staff are present. It is especially important to keep the group going, because we have good contacts with countries across central Africa, especially the great lakes region, and with people in those countries.

It is particularly timely that I have a chance to debate this issue this morning. It covers the whole of Africa and the developing world, although my interest and personal experience relate to central Africa, so I shall focus on that. The lessons can, however, be generalised and applied across the developing world. The United Kingdom holds the chairmanship of the G8 and will, in due course, hold the presidency of the European Union, so we are in a pivotal position and will be able to have an impact on events over the next few weeks.

There has been a great deal in the press about development issues in general, but I want to focus on education. I recently visited three schools in my constituency—St. Mungo's high school, Larbert high school and Stenhousemuir primary school—which were participating in the "Send My Friend to School" scheme, which is part of the Global Campaign for Education. Across the world, children and campaigners have made model friends, each of whom represents a child who is missing out on an education. Many of those children are in Africa and, of course, in central Africa.

The campaign is designed to enable school students in developed countries to make the link between their own education, which is, quite correctly, taken as a right, and the lives of the many children of their age in the developing world who have no access to education or who access it only for relatively few years and only for as long as their parents can afford to pay for it out of their meagre resources. On 6 July, at the G8 summit in Gleneagles, which borders my constituency, 1 million models made by schoolchildren and representing children who are missing out on an education will be presented to the leaders of the richest and most powerful nations on earth.

The "Send My Friend to School" scheme is, in effect, the children's element of the "Make Poverty History" campaign, which, as pretty much everyone in this country, including hermits, knows, will reach its climax between the "Make Poverty History" march in Edinburgh on 2 July and the concerts organised by Bob Geldof and others, which will be held on 6 July to coincide with the G8 meeting in Scotland.

The aims of the "Make Poverty History" campaign are worth restating because they come at a remarkable moment of opportunity and leadership for this country, which, as I said, will simultaneously hold the chairmanship of the G8 and the presidency of the EU. The campaign aims to drop the debt, to have more and better aid and to make trade fairer by removing unfair subsidies to producers in developing countries. If the UK can lead the world in delivering, it will enable developing countries to develop. Development implies hospitals and roads, a growing economy, with inward investment, and the rule of law and democratic governance. It also implies education for all, and that, more than any other area of experience, is the point of contact with the lives of children and older pupils and students in developed countries. That is why initiatives such as "Send My Friend to School" and the Global Campaign for Education are so important.

At this pivotal time in our national and international life, we should constantly re-stress that 100 million children have no access to education. Another 150 million cannot finish primary school; in some cases, they have just a few months of primary school. Those, of course, are rolling figures. Their impact is not only personal, bad though that is. The wider impact is that it is impossible for countries to move out of the cycle of poverty and non-development; they are not able to call in sufficient financial or human capital to run their schools. Without an education system to which all children have entitlement, there can be no justice for developing countries.

As a result of war, poverty and the collapse of states, education in the region has suffered hugely. In a region where more than 4.5 million people are thought to have died as a result of conflict and genocide, education is vital for two reasons—it can address the poverty and hunger that are one cause of conflict and it can neutralise ethnic and political divisions.

Education in the region has been hard hit by conflict, and in many parts of the Democratic Republic of the Congo it has disappeared. Grass roots organisations have taken the lead in creating a local education structure, which shows that learning is valued, but the biggest problem, especially in the DRC, is the general collapse of the state, which affects everything from health to roads. According to some estimates, only a third of children attend primary school. Before the civil war began in the late 1990s, at the end of the Mobutu period, the figure was about two thirds, so there has been a substantial decline. The figures are similar in Burundi.

The education system was targeted in the Rwandan conflict of 10 years ago. Teachers and other educated people were singled out for assassination, and teachers were both victims and perpetrators of the genocide in state and, sadly, church schools. Schools were ransacked and destroyed, as was the ministry of education. Many teachers lost their lives. Little documentation or school supplies remain. Hundreds of thousands of households were left headed by children, who as a result did not receive an education. Although in theory education is free, fees and the cost of materials keep many children away from

[Mr. Eric Joyce]

school. Having said that, the Government were quick to re-establish an education system after the genocide, and by 2000 the primary school enrolment rate was 97 per cent. for boys and 95 per cent. for girls. A quarter of men and just under two fifths of women are illiterate.

Access to education is an issue, especially for vulnerable groups. When money is tight, girls are often kept at home, although the figure of 97 per cent. is extremely good for the area, particularly since the reconstruction following the genocide and civil war. In the Congo, 4.6 million children are out of school, of whom 2.5 million are girls, and almost half of adult women are illiterate, compared with about a quarter of males. The gender issue clearly applies as strongly there as it does everywhere else.

Pygmies are another vulnerable group; they tend to be especially poor and find it harder to pay school fees. Pygmy children are subject to bullying from other ethnic groups. The times when families leave their settlements to go to the forest usually clash with the school calendar, so children are often left with relatives in the village. As a result, children miss vital training on how to live in the forest and use it sustainably. The education system in the Congo does not value the understanding that many Babongo or Batwa have of the forest; indeed it conflicts with their being able to pass on their deep understanding of forest use, and it undermines important cultural practices.

Before the genocide the Rwandan education system mirrored and reinforced ethnic divisions in the country, with ethnic and regional quotas. The current view seems to be that formal education in the great lakes region is not a major factor in causing conflict. However, there are problems. In Rwanda, under President Kagame, ethnic classifications have been abolished and discrimination banned, but history, an important subject, is still not generally taught. There have been no new textbooks since 1994, and—this might be a secondary challenge—no agreement on how to present the years of genocide, which will become more important as time passes.

In Burundi, there is a strong geographical imbalance in that southern and central provinces are much better provided for. That is the result of various factors, not least of which is the fact that every president from 1965 to 1993 came from the south. Army officers need at least a secondary education, and the army wields enormous power, so the imbalance has serious political implications. According to International Alert, the

"serious distortions in access to education ... are one of the primary causes of the conflict"

in Burundi.

In a broader sense, education and training are a crucial part of practical measures to stabilise the region. The training and education of customs officials is seen as an important part of efforts to fight uncontrolled flows of arms and natural resources fuelling armed groups in areas such as the Kivus and Ituri. The training of the civil service and the new national army are vital to re-establish the state, to reduce corruption and the abuse of power and to bring some measure of development to the region.

In Rwanda, the education system is strong compared with that of Burundi and the Congo and pays its teachers relatively well. The Department for International Development, as the Minister might mention, has a substantial programme in Rwanda and is contributing to teachers' salaries by giving direct budget support. It might do the same in the DRC and Burundi in due course.

In the great lakes, and in the DRC especially, the education sector needs enormous support for materials, salaries, buildings and administration—the stuff of education in the United Kingdom, and which seem fairly prosaic, but there are almost no resources in many parts of the country. Indeed, there are literally no resources at all in parts that I visited, particularly at points further away from the main conurbation in Kinshasa and the east, and from the smaller conurbation, if we can call it a conurbation, around Goma.

Schools would attract many more children if they provided meals and were genuinely free. Education is enormously important if the region is to recover from the devastation of the past decade and is to avoid a repeat of past conflicts. The UK is in a strong position to help.

I know that the Minister will have several things to say about the many very good things that the UK Government are doing in conjunction with our European Union allies and other developed states, but I must tell him of my experiences in the Congo and the reason for my interest in the subject. I first became interested in the Congo on a visit there as part of the all-party group with colleagues from the Labour party and the main Opposition parties. We were shown around a series of educational and health assets in Kinshasa and Goma and at points some distance from Goma. When one visits these places, one has a particular idea of what words such as school, hospital or clinic might mean. In the Congo, however, they do not look much like schools or hospitals. We visited one hospital that was just a collection of huts. One hut had a bed in it and was described as a ward. A woman was dying in it, entirely unnecessarily. That experience branded me, but it was a crucial political lesson.

We visited several schools, which again in essence were collections of huts. Invariably, four or five children would be sitting on the floor. Some would have slates, if their parents could afford them, but others would not and would share or look on. Around the top of the huts—it was the same in each place that we visited—there might be four or five children in the classroom and 30 or 40 children peering through the gap between the walls and the roof. Those were the children who did not have access to any kind of education because their parents did not have the means to fund it. In good times, those parents had the agricultural wherewithal to exchange to pay teachers to teach their children, but quite frequently their children were withdrawn after a very short period.

Such visits—in this instance conducted under the auspices of the all-party group, but funded by organisations such as Save the Children, Christian Aid and the Tearfund—bring home the importance of tackling the whole issue of education and other aspects of infrastructure development in Africa.

The example of the Democratic Republic of the Congo helps us to understand the immensity of the human and technical problems facing people seeking to build a new infrastructure in an African country with

much potential but very little material wealth. Until the early 1960s, the infrastructure of the DRC, which was then the Belgian Congo, began to develop. That period ended—this is relevant, at least historically—when Prime Minister Patrice Lumumba was elected but murdered shortly thereafter. There were schools in the more developed areas, in Kinshasa, and there were universities too.

Following the death of Patrice Lumumba, we had many years of President Mobutu, who constructed a classical African dictatorship, whereby the natural mineral wealth of the country was looted to buy mansions in Brussels and elsewhere. Those of us who were thinking about spending ill-gotten gains—which none of us would have, of course—might not choose to buy a mansion in Brussels, so perhaps he had bad taste as well as a great deal of loot stashed away. Essentially, that was what this classical African dictatorship used its resources for, and certainly not for infrastructure or education. It was the epitome of the corrupt dictatorship, which led to so many people to hold the wrong-headed view today that African states are intrinsically incapable of achieving progress. That, of course, is so far from the truth.

In the Democratic Republic of the Congo's own Parliament there is an all-party group that mirrors our group—the imaginatively named all-party group for the UK. Its members told me that, after several years of armed conflict and many years of mismanagement, the Congolese education system has deteriorated considerably. There is, however, some room for hope because there is a degree of stability under President Kabilla. Resources are extremely modest, and most of them come from outside the country. Only about 1 per cent. of people in the DRC have taxable employment, and most of them work for non-governmental organisations. There is a limited tax base and, outside the main cities, almost no funding for schools and education and hospitals.

School attendance has been weak According to my parliamentary colleagues in the Congo, almost half the children who are eligible do not attend school—about 48.3 per cent. About 4.5 million eligible children are at present outside the education system. Only 25 per cent. of children reach year 5. The figures are much worse for provinces directly affected by the civil war and, of course, for girls, where the gender element kicks in.

The Congolese Government at present allocate about only 1 per cent. of their budget to the building of school infrastructure, further weakening the imbalance between the needs of the people and the resources available. In order to improve school admissions and to increase the number of eligible children attending school, the focus needs to be on the rehabilitation of the school infrastructure. Funds are needed to build new schools to cope with the great demand among the Congolese people—reflected well across central Africa—for a decent education.

The emergence of a rehabilitation and reconstruction programme, which was put together with the international donor community, calls for the rehabilitation of 265 schools—about 25 schools per province. That would restore hope and contribute, with other social programmes, to improving the living conditions of Congolese children, but is clearly, ultimately, a drop in the ocean.

The university sector in the DRC is fairly modest in its operations but it has some capable and dedicated academics, working, as one can imagine, with incredibly meagre resources. After independence, the Congo had three universities. Lovanium university was built by the Catholic Church and the University of Kisingani by Protestant missionaries—historically there has been a heavy Church influence in the provision of higher education in the Congo. The only public tertiary education institution was the Universite Officielle du Congo. The universities were essentially merged under Mobutu in 1971 for political reasons that are now somewhat opaque. They were run down, had no lights or running water and were not what we would describe as universities.

Since the end of the civil war and the beginnings of a degree of hope and reconstruction in the DRC, a modest amount of funds has been generated and directed towards higher education. However, one needs a higher education sector as one needs tertiary and vocational sectors in between primary and secondary education to ensure that countries such as the DRC are capable of developing talent and working on their infrastructure. Retaining their talent also requires funding to keep people employed in jobs so that as soon as they are trained they do not disappear abroad to earn more money in South Africa or the UK. That is an issue for the UK Government to address and I know that the Minister and other Departments—particularly the Department of Health—are aware of that.

Central Africa has often been passed over by the media because it does not hold much strategic interest for developed countries such as Britain. A great deal is being done by non-governmental organisations such as Save the Children, Christian Aid, the Tearfund and the Red Cross, which all have an impact on education, whether it be through the provision of water, the establishment of infrastructure or helping to fund teachers. As Britain chairs the G8 and serves—through the Government and the Prime Minister—as president of the European Union, we are in an unparalleled situation. The actions that we take now and over the next few weeks will have the most fundamental impact on the quality of life of people in countries across Africa and the developing world such as the DRC, Burundi and Rwanda.

I know that my hon. Friend the Minister will make some remarks about Government policy in some areas that I have mentioned—fundamentally, primary education. However, we must not forget what might be considered to be the more rarefied areas—the higher reaches of higher education—because they also matter in the development of the DRC, Rwanda and Burundi. I look forward to hearing what my hon. Friend the Minister has to say.

9.53 am

Paul Rowen (Rochdale) (LD): I am grateful to the hon. Member for Falkirk (Mr. Joyce) for raising this debate on a topical and important issue. Like him, I recently visited a school in my constituency and was pleased to see the children preparing the cut-outs that the teacher will take up to Gleneagles. That is a visual way of emphasising the importarce of universal primary education, something we tend to take for granted in this country but which, in many parts of Africa, people struggle and save to get.

[Paul Rowen]

I want to use my experience in this field. Until the election on 5 May I was a teacher in a school in Bradford that had a link with a school in Kenya, and I have the papers in front of me on the group of students who will, I hope, come to this country in a few weeks' time. I have also been involved in Uganda where I saw at close hand some of the work being done, particularly to develop primary education and, as the country grows, to address the need to expand secondary education and put in place systems of educational administration to allow the country to evolve.

I shall start with Kenya. I first got involved in Kenya back in 1992 when, as a member of my community, I was asked to help raise the funds to build a school in what was then part of the President of Kenya's constituency. Having got a container full of material from schools in Bradford, the container went missing and the material never got to the schools for which it was intended. That emphasises one of the issues that people face: corruption. Although the people in the schools wanted the materials, certain officials along the way were keen that the money went elsewhere. I therefore believe that systems of governance and control are key in terms of any funding and support that we develop for the future.

Thankfully, when Mwai Kibaki was elected a few years ago—I know that there are problems with his Government at the moment—one of the first things that his Government did was to reintroduce primary education. However, last year, when I took a group of students from Bradford to Kenya, I saw at first hand the effect of a blanket reintroduction of universal education without the necessary funding. The primary school that I visited, with which we have a link, had seen its roll grow by 60 per cent. There were more than 1,000 students in that school, and it had had an extra two teachers to cope with the influx. The only way in which the school was able to cope was by running the school in two shifts. Although it is good that children are getting primary education, they may not get the full quota, and there are still children in Mygat in the Rift valley who are not being educated. Again, the only way in which progress will be made is for there to be greater expansion of training of teachers and investment in buildings.

In Uganda, except in the north of the country, there has been a very long period of stable democratic government, although we will see what happens next year when the multi-party elections take place. That has enabled many schools to develop. I have visited several schools in Uganda, and have seen at close hand the work that they have done. I have also seen the work that the British Council has done. It has introduced initiatives such as working with the administration in Masindi to organise exchanges of education officers with officers in this country. That has gone a long way, not just to dealing with the issue of providing universal education, but to developing the systems that need to be put in place to support its structure. I hope that the Minister will be able to encourage the development of more schemes such as those. They have provided lasting links, which have enabled both groups of young people to move forward together, and helped to develop education for students both in Bradford and in Kenya and Uganda. The next few months provide an historic opportunity to build on that good will. I hope that the links and the experience that has developed over the past few years can be developed further.

10 am

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my hon. Friend the Member for Falkirk (Mr. Joyce) on introducing the debate, and apologise for missing the first five minutes of his clear and important account. I have been to Democratic Republic of the Congo once, with Oona King, who was an excellent chair of the all-party group on the great lakes region and genocide prevention, and with my hon. Friend the Member for City of York (Hugh Bayley) and my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). It is good to see some of the officers of the group present.

I want to ask my hon. Friend the Minister to think about one point in particular, which does not take us away from what my hon. Friend the Member for Falkirk was talking about. As an educationist I found it moving to visit a couple of schools in Democratic Republic of the Congo where children were learning in the most difficult circumstances. There were huge numbers of them in small, dilapidated school rooms.

The most moving thing of all was to see peer education, in its widest definition, going on. Other children, who could not afford to go to school, would be standing about outside the school. When school finished, the children who had been would come out and do some teaching for those who did not have the opportunity. Sometimes the children outside would be from the same family as those who had been to school; families had to pay for schooling, and to decide which children would go there. What better example could there be of the way in which education can be passed on, by the very youngest?

Clearly, we want to ensure that all the children can attend school. The Minister will no doubt discuss the moneys that are to be provided in the aid budget to advance the school building programme.

Ann McKechin (Glasgow, North) (Lab): My hon. Friend was right that my hon. Friend the Member for Falkirk gave an excellent account of the state of the education system in the great lakes region, but does he agree that one area in which our Government can assist is teacher training? Many of the teachers in Democratic Republic of the Congo were lost in the conflict, and many have also died because of HIV and AIDS. There are teachers, but many are unqualified and have had no formal training. Accordingly the education is very basic. We can assist with both curriculum development and teacher training.

Mr. Drew: My hon. Friend has obviously read the speech that I have not written; that is exactly the point that I wanted to make, and I do not know whether my hon. Friend the Member for Falkirk spent very long on that. The most important thing that we can do by way of aid provision to enhance education in places such as Democratic Republic of the Congo, Rwanda and Burundi is to bolster the teacher training framework. We can do that well by trying to match every teacher training institution in this country to Africa; not

necessarily the great lakes region. I worked for 10 years in one of our great teacher training institutions; perhaps we could challenge the institutions to form a partnership, establish links and see how they might inform the teacher training that is already happening.

The saddest thing is that the best teachers are the ones who are taken from the classroom to train other teachers. Perhaps that is inevitable, but we cannot afford to let that happen in isolation. We need advances to be made on the framework, which we need to be built on to a considerable extent. Otherwise, sadly, the very children who need that education will lose out.

My institution, the university of the West of England, has links that I have tried to deepen and widen because that is something simple that we can do. It will not be enormously expensive; we are talking about a free exchange, in which we bring people over to this country and, more particularly, go over and help them to set up their structures. When I visited the Sudan, the obvious weakness was the insufficient structure to ensure that the education system was robust enough.

I hope that we can take something from this debate. Often, Adjournment debates are about Back Benchers just making our points and hoping that we receive a polite and helpful response from the Minister, but I am giving the Minister a direct challenge. We could write to every teacher training institution in this country and tell them to form a partnership with one of the African countries—perhaps, given the size of those countries, a region in an African country—and see how we can advance the teacher training framework. I look forward to seeing how that proposal goes down with the Minister.

10.6 am

Andrew George (St. Ives) (LD): I begin by warmly congratulating the hon. Member for Falkirk (Mr. Joyce), not only on securing a debate on an extremely important subject but on demonstrating his deep knowledge of it, as well as his passion and commitment to it. In the context of the debates in which a large number of countries will be engaged—at the G8 summit, the UN millennium council in September and the World Trade Organisation later in the year—getting fundamental issues such as improvements in the availability of education opportunities in countries in the great lakes region of Africa and other developing countries should be high on the agenda if we are to break through the cycle of deprivation and conflict that countries such as Democratic Republic of the Congo, Rwanda, Burundi and others have experienced.

The hon. Member for Falkirk emphasised that those countries, particularly Rwanda and the Congo, have in the past decade been riven with conflict, genocide and war, and the poverty and displacement of people that they create. I understand that in the great lakes region more than 4.5 million people have been killed through genocidal violence in the past decade. As he said, a large number of children in the Congo and in other countries are not attending school. A great deal of emphasis must be placed on widening the education opportunities in those countries.

My hon. Friend the Member for Rochdale (Paul Rowen) spoke about his visits to Uganda and to Kenya and emphasised that his attempt to take aid our from a school in Bradford was a salutary experience; many others attempting to bring aid to developing countries have had similar experiences. There was a silver lining to the cloud, in that he said that he can see that structures can be built to ensure that aid, particularly for educational development, can be delivered. We want to ensure that that is delivered.

Similarly, the hon. Member for Stroud (Mr. Drew) rightly emphasised the importance of making links with developing countries and of providing opportunities for teacher training so that their educational capacity can be developed in the way that he described. Perhaps, he would argue, that is the greatest contribution that we in the UK can make.

Looking at the wider picture, the conundrum that developed countries have to face is the extent to which we feel it appropriate to micro-manage the delivery of civil society in developing countries. Should we stand back, provide basic tools and ensure that we do not hold them back through our trading relationship and cripple them with debt, simply leaving those countries to find their own solutions? Is that not a better way of helping them out of their problems in education, health and other sectors if we want development in those countries?

It is difficult for countries to look at the microcosm of a particular school or sector in developing countries such as those in the great lakes region and to judge whether it is appropriate for the Department for International Development, for example, to engage in individual funding programmes for teachers in Rwandan schools. I think that judgment is right, but one has to watch and to take care that the aid and support given for funding teachers in Rwandan schools is not misused and treated as replacement funding for what the Government of Rwanda should be contributing themselves, but are using for other purposes. There must be an exit strategy in any such funding. The aim is not for the United Kingdom to continue to fund education in Rwanda for ever.

No doubt the Minister will comment on the Government decisions in his reply—it seems that he will have a reasonable time to do so—and on the Department's contribution now, and on what efforts it is making to ensure the development of the Government's capacity so that the Department can withdraw its support and direct it elsewhere in such a way that the systems do not then collapse.

The hon. Member for Falkirk raised the issue of tertiary education in the Congo. Reports and assessments of the capacity of tertiary education in Democratic Republic of the Congo show that a great deal of work needs to be undertaken in the tertiary sectors, not just in the primary and secondary sectors. When one considers the agricultural capacity of a country like the DRC, there is tremendous disappointment that the country is not currently training its future agronomists and undertaking sufficient research to be able to fulfil its capability.

The hon. Member for Falkirk is absolutely right; I should be interested to know what assessment the Minister and his Department have made of the need to support the primary, secondary and tertiary sectors in the great lakes region.

In preparing for the debate, I received a report from the Aegis Trust, which updated me on the arrangements for the Kigali memorial centre and other memorial

[Andrew George]

centres in Rwanda, the purpose of which is to teach the children and other residents of Rwanda the lessons of the period of genocide. Most of the centres were developed 10 years after the genocide. The Department for International Development has provided Rwanda's Ministry of Education with capital funds and has helped the Aegis Trust to preserve some of the memorial sites, so that lessons will continue to be learned in the same way as lessons are learned, appropriately, about the holocaust in Europe.

Given the utmost importance and urgency of the need for young people to engage positively and to learn from the genocide, and given the respect that the Aegis Trust has established among the general community and the Rwandan Government, as well as the international recognition that the memorial sites are receiving, does the Minister agree that support from Her Majesty's Government for the ongoing education programmes at the genocide memorial centres would contribute significantly to the long-term promotion of peace and stability in a volatile region?

Clearly, one thing that we know from this debate and the experience of the genocide is that education programmes cannot be undertaken when people are running in fear for their lives. The only thing that they, and especially children, learn in those circumstances is fear, violence and the truisms of inhumanity if there is no protection. Clearly, every effort must be made to avoid the possibility of future conflict.

I understand that great efforts are being made in Rwanda to ensure that there is proper integration in schools and that lessons are learned from the fertile soils from which conflict grew in the education system itself in the early 1990s. I understand also that Rwanda's education system is strong compared with, for example, those of Burundi and the Congo. As I said, the teachers are paid relatively well, and DFID contributes significantly to teachers' salaries through direct budget support. The question is what assessment the Minister has made of the rod that the Department has made for its back by providing funding in Rwanda but not, for example, in the Congo and Burundi. Teachers from the DRC and Burundi are going to Rwanda, where they can be better paid. Is there a case for making a greater aid package available through direct budget support for paying teachers?

The education sector in the great lakes region and especially in the DRC needs enormous support in terms of materials, salaries, buildings and administration. If schools provided meals and they were genuinely free, they would attract a great deal more teachers. Education will be enormously important if the region is to recover from the devastation of the past decade and avoid a repetition of past conflicts. I am sure that the UK can continue to play a strong role in developing education in the region.

10.19 am

Mark Simmonds (Boston and Skegness) (Con): I add my congratulations to all hon. Members who have spoken and to the hon. Member for Falkirk (Mr. Joyce) on securing this important debate at this significant time, particularly as the United Kingdom holds the presidency of the European Union and the G8. The hon. Member for Falkirk spoke with great knowledge and experience of that part of Africa. He was absolutely right to highlight the role that Oona King has played in keeping such issues at the forefront of the political agenda. I have read that she may continue her interest in the area, either through the United Nations or some other body, and I hope that she will continue to work for the people of the great lakes region of Africa.

The hon. Member for Falkirk rightly highlighted the significance of education in developing many of Africa's economies and societies, and mentioned some of the visits that he and I made to local schools. Those visits are important, not only in forging links, mentioned by the hon. Member for Rochdale (Paul Rowen), but in trying to educate primary schoolchildren in the UK to make them understand that not everyone in the world benefits from the educational system that they do, or is as fortunate as they are, and that they should understand and do what they can to facilitate better education elsewhere in the world, particularly in that poor part of Africa.

The hon. Member for Stroud (Mr. Drew) made a brief but intriguing contribution. I hope that the Minister will respond in his winding-up speech; he has plenty of time to do so, which he will be delighted about. He was asked about bolstering the teacher training network, which would increase capacity, as the hon. Member for St. Ives (Andrew George) stated. I should like to know whether the Minister has thought about that but also about increasing links between the tertiary and the further education sectors in the UK and its counterparts in Africa. Significant parts of the further education sector in the UK are keen to increase such links.

It is clear that education must be a priority in sub-Saharan Africa if the area's fortunes are to change. The Conservative party supports educational initiatives in the great lakes region, both through non-governmental organisations and direct budgetary support. The area suffers from tremendous geographical, political and economic challenges, on which both the Department for International Development and the international community need seriously to focus if we are to find a successful conclusion. Like the Government, we are committed to working towards the UN target of spending 0.7 per cent. of our national income on aid, facilitating projects and income streams on top of those that are being currently provided.

As well as our strong commitment to development assistance, our long-term objective is to ensure that developing countries graduate from dependency to functioning democracies and sustainable economies and societies. That can be achieved only if we help African countries to develop their education systems. The World Bank has said, quite rightly, that the most important key to development is education. Education is the cornerstone of an economically and socially prosperous society. Without a properly educated work force, it will be impossible for the sub-Saharan nations to reduce poverty, increase trade and ultimately see sustainable economic growth. Across the world, it is estimated that 115 million children do not go to school, and eight out of 10 of those live in sub-Saharan Africa or southern Asia. If we are to see an end to poverty and suffering in Africa, we must improve education.

The millennium development goals provide ambitious targets for the world to attain. Achieving universal primary education by 2015 will be challenging but Britain must continue to provide support for educational projects, especially in the great lakes region. Raising educational standards has beneficial side-effects and will contribute towards making the other millennium development goals more achievable. Higher standards of education may help to control the spread of disease, increase economic activity and encourage a more pluralistic and tolerant society. I welcome the progress made so far by nations that now offer free primary education. That is a fundamental step if we are to see a real step-change in the educational prospects of the population.

Ensuring that pupils stay on for a full course of schooling is clearly an even greater challenge. Unfortunately, none of the great lakes nations is close to providing a full course of primary schooling. Only 40 per cent. of children in Rwanda complete five or more years of education. The figure is 64 per cent. in Democratic Republic of the Congo and Burundi, but Tanzania has made significant progress. With great assistance from DFID, 1,925 primary schools have been built, more than 3,700 new teachers have been employed and, next year, every child in Tanzania should receive free primary school education.

Sadly, there remain severe gender disparities. Worldwide, more than 74 million girls are not enrolled in school; two thirds of the total number. The countries of the great lakes are no exception, with just 47 per cent. of primary school age girls attending school in Burundi and Democratic Republic of the Congo. For there to be gender equality in education, there need to be major cultural changes. That cannot happen overnight, but as 70 per cent. of the world's poor are female, it is vital that there be an improvement in quality education for girls. Cultural barriers often leave girls without legal, political or economic rights. High-quality education for girls is the first step toward redressing the balance.

Improved education for girls has long-term knock-on effects. Educated women tend to have fewer and healthier children, and those children tend to receive an education also. By having children later, women are often able to participate in economic activity. In Africa, children of mothers who received five years of primary education are 40 per cent. more likely to live beyond age five. That is a staggering statistic. The UN girls' education initiative will, we hope, start to redress the balance and bring an end to gender inequality.

The Conservatives recognise that DFID contributes in various areas and assists countries that have fallen behind, particularly in implementing the millennium development goals. Unfortunately, the education systems of the great lakes countries are characterised by limited access, hidden costs, poor quality and illness. I shall address all those issues, which need to be tackled simultaneously if we are to make a significant difference to education in the great lakes area.

First, I shall address the problem of limited access. Although primary education is now nominally free across the whole great lakes region, access remains far from universal. In countries such as Uganda, education facilities are mainly in urban areas, leaving those in remote villages, and particularly those in the fishing, nomadic and conflict-ridden areas, without access to education or teaching facilities. What does DFID propose to do to ensure that people in those difficult-to-reach areas can access education? What progress is being made toward that goal?

In countries in which conflict continues, such as the DRC, children are unable to go through areas of continuing violence to reach schools. The hon. Member for Falkirk gave some interesting statistics to demonstrate that the level of education has decreased since the conflict began in terms of the number and percentage of children going to school.

Even in areas in which education is provided, there is often overcrowding. In Kenya, teachers are regularly in charge of classes of 100 children. That has led to learning shifts, which have been criticised for overstretching teachers who often have to teach significant numbers of children in consecutive shifts, which must have a detrimental impact on the quality of education.

Of those children who enrol in school, the drop-out rate remains concerningly high, with one third of African children dropping out of school before they have acquired basic numeracy and literacy skills. For those who complete primary education and are willing to further their studies, there are few high-quality, low-cost secondary and tertiary education facilities. In a modern, globalising world, primary education is not sufficient to equip students with relevant skills such as IT, nutrition, hygiene and basic health care education.

Of those students who make it to tertiary education, a substantial proportion—some 20 per cent. in Uganda—leave their countries to follow a career abroad. Greater investment is needed to equip students with practical skills that will benefit their countries of origin by ensuring that they stay there and contribute economically and socially to their countries' development. We must work with countries and NGOs in specific regions to ensure that the brain drain is minimised.

UNESCO is trying to address the adult learning problem in Burundi, by focusing on adult literacy and technical and professional education. Some 260 adult literacy volunteers across the country have so far been trained. I very much hope that adult learning programmes will feature in other countries' education programmes. I would be interested to hear what DFID is doing to ensure that the education focus in the great lakes region is not just on the primary sector but on expanding the secondary and tertiary sectors.

Secondly, I want to mention the hidden costs. Despite the acknowledged steps that have been taken to provide free primary education, the evidence shows that it is rarely completely free, and parents are often forced to pay hidden costs, levied under such pseudonyms as development funds or contributions. In Uganda, which is often held up as an excellent example of free education provision, the costs can be as high as 33 per cent. of the discretionary household expenditure, and many parents are unable or unwilling to pay.

The third element is poor quality. The educational progress of the countries of the great lakes region is harmed by the poor quality of much of the teaching. There is no universal curriculum, so standards vary and providers change regularly, which results in repetition and a lack of continuity. In many cases, schools are

[Mark Simmonds]

failing to equip their students with the skills and knowledge that would benefit their countries in the long term. Education in Rwanda and Tanzania in particular has been criticised for a lack of focus on development priorities.

Fourthly, pandemic illnesses, such as malaria and HIV, contribute to the very high drop-out rates experienced in many schools, either due to pupils themselves becoming ill or because the death of a parent or guardian leaves the child as the primary provider for their siblings. That is why education must not be considered in isolation. Providing vaccines and medicines to the largest number of people in the widest possible area will not only improve the health of the population, but help to combat drop-out rates in education.

To reach the millennium development goals by 2015, it is estimated that Africa will need 3 million more teachers, but in 1999 alone in sub-Saharan Africa nearly 1 million children lost their teachers to AIDS/HIV alone. When that is coupled with a loss of teachers in conflict areas—particularly in Democratic Republic of Congo recently—it has a serious impact on countries' ability to provide the necessary education.

We are all familiar with the atrocities in Rwanda and during the civil war that ravaged the DRC, and many other Members referred to them. Divisions in the education system, particularly between ethnic and tribal groups, can lead to disproportionate levels of power accruing to a dominant or powerful group, allowing it effectively to take over the running of a country and keep power and wealth in a small group of hands. As we have seen, that sometimes has disastrous effects. I understand that there is evidence that that problem is being seriously addressed in Burundi, and I would welcome any comment from the Minister that DFID is monitoring the situation carefully and ensuring that any aid for education is channelled across the tribal and ethnic spectrum.

I have just a few specific further questions for the Minister. Do the Government favour channelling bilateral aid for education through national Governments or through non-governmental organisations and other channels? The hon. Member for St. Ives mentioned that, and there are dangers in creating dual streams of income, as the NGOs can pick the best people from the Government because they pay more, leaving the Government lacking people. What other countries are providing similar assistance for education in the great lakes area, and is the Department for International Development working closely with other donor countries to ensure that there is no duplication in provision? How often do the donor countries meet, and is there a difference among the countries in the great lakes area?

I welcome DFID's support for the fast-track initiative, but does the Minister believe that it will be successful in improving co-ordination of aid and African countries' national education plans? How does that fit with the disparate nature of the funding streams going to different organisations to provide education? Finally, what progress is DFID making towards funding the new scheme for higher education, with particular reference to the millennium development goals in sub-Saharan Africa on science and technology, which replaces the existing scheme that, I understand, ceases in March 2006?

I am aware of the important contribution that DFID, UNICEF and others have made to the education systems of sub-Saharan Africa. I believe that programmes such as the UN girls' education initiative and the fast-track initiative, which encourages partnerships between international agencies, Government and civil society, are the way forward if we are to bring high-quality, universal education to the children of the great lakes countries.

Sustainable and substantial improvements in the quality of life in sub-Saharan Africa depend on the continent being able to tackle the underlying causes of poverty, foremost among which are poor education standards. The education systems in the countries of the great lakes area urgently require further investment and support if they are to meet the MDGs of providing universal free primary education and gender equality in education. I hope that the Minister understands that he will get our full support if he continues to do what DFID is doing now.

10.35 am

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I join others who have spoken in congratulating my hon. Friend the Member for Falkirk (Mr. Joyce) on securing this debate. I am not at all surprised that he should want to pursue the subject in this way, having had the privilege of visiting his constituency and talking with many of his constituents who are interested in these issues at a meeting chaired by Pastor Michael Rollo at Larbert Pentecostal church. When my hon. Friend's constituents read today's *Hansard*, I am sure that they will be impressed that he has so skilfully articulated the concerns that they expressed to me at that meeting.

I enjoyed listening to the hon. Member for Rochdale (Paul Rowen), in what I think was his first contribution in the House in a debate on development. He was clearly drawing on a long-standing interest in the great lakes region, and I am sure that he will make many more contributions on such subjects.

I join my hon. Friend the Member for Falkirk in paying tribute to our former colleague Oona King for the way she led the all-party group on the great lakes region and genocide prevention and for the way she championed education and, more generally, the need for more international assistance for the countries of the region. My hon. Friend clearly intends to continue and accelerate her work, and I pay tribute to all those involved in the all-party group.

I welcome the Global Campaign for Education's "Send My Friend to School" initiative, which is trying to present 1 million buddies—that, I think, is how they badged it—to the leaders of the G8 in Gleneagles on 6 July. If hon. Members will indulge me, I want to pay tribute to the children of Alexandra school in my constituency. They dragged me along to design a buddy, but it was very substandard in comparison with their own efforts, and they put me very much to shame. I pay tribute to their work and interest, as well as to the interest of their teachers, and I know that their buddies are winging their way to Gleneagles.

It is appropriate that my hon. Friend, whose constituency neighbours Gleneagles, should initiate the debate so close to such a key meeting. It is a key opportunity for the international community to begin the process of regalvanising political will and increasing momentum behind efforts to meet the millennium development goals, especially the key goal of providing access to universal primary education.

Let me touch briefly on the interesting suggestion made by the hon. Member for Rochdale about the need for more schools in the UK to link up with schools in Africa. Since 2000–01, we have been funding initiatives exactly like that through DFID's development awareness fund; for example, we are currently funding the global schools partnership, which is being implemented through the British Council. Some £3.2 million will be provided over three years to encourage precisely the types of link to which the hon. Gentleman referred. Similarly, we have funded 11 projects worth a total of £909 million to encourage knowledge and understanding of the prospects for development and of efforts to reduce poverty across the developing world, particularly in Africa. One project has sought to encourage regional educational links between schools in Oxfordshire and a region of Uganda. My hon. Friend the Member for Stroud (Mr. Drew), whose constituency is not that far from Oxfordshire, may well be familiar with that initiative.

On the issues that my hon. Friend the Member for Falkirk raised in relation to the great lakes, it is clear that, as those countries begin to emerge from conflict, one of the best ways to consolidate the peace and the progress out of war, and to encourage sustainable development, is to try to give every child at least a basic education and the skills that they need to participate in the modern world. As my hon. Friend the Member for Falkirk and the hon. Member for Boston and Skegness (Mark Simmonds) rightly pointed out, every child has a fundamental right to education. More than that, we know that education can unlock progress towards all the other millennium development goals, be it reducing child mortality, improving maternal health or making progress in tackling HIV/AIDS.

We know that, sadly, progress to date has not been anything like good enough. Some 100 million children are still out of school and, as hon. Members made clear, 60 million of them are girls. We are not even on track to meet the first millennium development goal, to get equal numbers of girls and boys in school by the end of 2005. The last time I saw the figures, some 75 countries were off track for meeting that millennium development goal. Again, that is a powerful reminder of the importance of our G8 and EU presidencies, and the opportunity to regain the momentum behind the need to meet the MDGs.

There are many reasons to support and fund education, which hon. Members have touched on, and I should like to raise two in particular. The World Bank conducted a study in 17 African countries that showed a clear correlation between education and lower HIV/AIDS infection rates. Similarly, research has indicated that giving girls just one extra year of education increases their eventual wages by, on estimate, between 10 per cent. and 20 per cent.

In January this year my right hon. Friend the Secretary of State for International Development published our strategy on girls' education, announcing, in rough terms, a doubling of our funding for education. He also highlighted how we were working with Governments in Africa: first, by seeking to remove tuition fees and other barriers to accessing primary education; secondly, by tackling capacity and supporting Ministries of Education in providing leadership, helping to develop capacity and promoting girls' education in particular and education more generally; thirdly, by strengthening community and parental education; fourthly, by ensuring that appropriate measures are in place in all our partner countries to tackle abuse and violence towards girls and to prevent the spread of HIV; and fifthly, to provide the physical facilities, such as clean water and good sanitation facilities in schools, which are also essential if we are to attract people into them.

There is reason for hope, given the progress being made on education in the great lakes region. There are good stories to tell, particularly in Uganda and Rwanda, which are examples of what can be achieved when Governments recognise the importance of investing in education as part of the process of peace-building and reconstruction. Uganda introduced universal free primary education in 1997, although I recognise that "free" needs to be couched with the caveat to which the hon. Member for Boston and Skegness and others alluded. However, that removal of user fees has resulted in an increase in enrolment from some 3 million pupils in 1996 to some 7.6 million in 2003. Nearly as many girls as boys are now enrolled in primary schools in Uganda.

The key challenge in Uganda is to address the quality of education being provided in the context of such a large expansion at the primary school level and then, as hon. Members have mentioned, to start the same process of expansion in secondary education and at the higher and tertiary levels. The proportion of those who actually complete primary education is still disappointing, as are the numbers who satisfy the requirements for post-primary education.

One needs to acknowledge that the Ugandan Government have been the first to recognise those challenges, and have a strategy in place for improving the quality of and access to all levels of education. The UK Government's task is to get behind that strategy and support the Ugandan Government in tackling those challenges, and in the past 10 years, we have provided some £75 million in direct assistance to the education sector through projects and targeted budget support to do exactly that. We continue to support the expansion of the education sector through budget support. In addition, mindful of the continuing insecurity, particularly in the north, we are also supporting UNICEF by funding projects through NGOs that are seeking to improve access to basic services such as education.

The situation is similar in the DRC, where NGOs such as Oxfam, War Child, CARE, Save the Children, International Rescue Committee and Catholic Relief Services all play a crucial role in service delivery because of the disruption to Government services caused by conflict, of which we are all aware.

[Mr. Gareth Thomas]

At the end of his remarks, the hon. Member for Boston and Skegness asked how we get the balance right between investment in education through budget support and investment in education through NGOs. One must recognise that, in the DRC and in conflicts generally where Government systems have broken down or have almost broken down, NGOs are often the best way to have an impact on education, but that in the long term one needs to build up Government systems. Budget support is often crucial if we are to expand access to education to reach all parts of a country, not only those parts in which NGOs can operate.

Rwanda, too, has made remarkable progress in rebuilding the education system since the genocide in 1994. Net enrolment in primary schools is 91 per cent., which is the highest percentage in the great lakes region. The Government have put in place a comprehensive education plan, and there is parity in enrolment for girls and boys at both primary and secondary levels. The Government of Rwanda are also committed to redressing the legacy of ethnic quotas, which were practised up to 1994.

Mr. Joyce: Does my hon. Friend agree that although schools clearly have an educative function, they also have a fundamental function in strengthening social relations and making them more cohesive? To that end, the all-party group has a relationship with Professor Zeldin of Oxford university, and has produced a report on how that function might apply in Rwanda in particular. May I provide the Minister with a copy of that report at the end of the debate?

Mr. Thomas: I would be delighted to read the report, and to discuss it further with my hon. Friend if he so wishes.

The point about Rwanda is similar to the point about Uganda; although good progress has been made, much still needs to be done. Rwanda also has similar problems with its levels of completion. Half the country's children do not complete their primary school education, and one in 10 do not enter education at all. The hon. Member for St. Ives (Andrew George) made a point about the need to extend access to some of the more difficult rural areas as well as to the urban ones.

We also know that the educational performance of girls is worse than that of boys, and that sadly girls have disproportionately less access to Government-funded education. Similar issues about the capacity of education systems in Rwanda are still very current. There is a need to build capacity at national and district level and to reform and modernise the teacher training system and the curriculum.

DFID is working very working closely with the Government of Rwanda to try to tackle those issues. Last year, it disbursed two thirds of its £46 million aid portfolio for Rwanda through general budget support. Since 2001, we have also given £13 million directly to the education sector to provide textbooks, distance education teacher training, education on HIV/AIDS, ICT technician training, and a rural technology transfer project. On the gap between the levels of enrolment of girls and boys, we are working with the Rwandan Ministry of Education, focusing on how we can improve access to girls' education together.

With DFID support, the Rwandan Government removed all user fees on primary education in 2003 and are now examining ways to extend the removal of tuition fees to nine years of basic education. We have provided considerable technical assistance to the Ministry of Education, not least to improve the educational response in Rwanda to the challenge of the HIV/AIDS epidemic. As a result, many more teachers and education officials are aware of the crucial role that education can play in that regard.

Andrew George: I asked whether the Department has considered extending the direct aid for schools and teachers' pay in Rwanda to other African countries. Will the apparent success of the approach that the Department is taking in Rwanda be extended to other countries?

Mr. Thomas: The hon. Gentleman has asked that question just as I am moving on to consider the DRC and some of the lessons from Rwanda for the DRC. Hon. Members will understand that it is not yet appropriate to invest in education in the DRC in the same ways as we do in Uganda and Rwanda, because it has only recently come out of a conflict situation. The priority in the DRC must be to continue to build a peaceful political process and to invest in the support necessary for elections, but we are beginning to consider how we can put more investment into basic services, such as education. As hon. Members said, the education sector in the DRC is chronically underfunded, but partnerships between Government, Churches, non-governmental organisations and local community organisations have managed to keep some schools going. The task is to build on what exists already, and we are working with UNICEF, the World Bank, the Belgians and other donors to explore ways in which we can move the education sector on.

The hon. Member for Rochdale asked about Kenya and rightly alluded to the difficulties that we face there because of corruption. We welcomed and continue to welcome the election of the new Government that took place in December 2002 and the peaceful transfer of power that followed. The removal of tuition fees in Kenya has heralded a significant increase in the number of pupils coming into schools, which we also welcome. However, there are clearly continuing challenges for President Kibaki's Government in tackling corruption, and we hope that they urgently accelerate efforts in that regard.

Hon. Members asked about the need to expand access to secondary education in the great lakes area. I accept that we need to continue to do that, albeit with the caveat that universal access to primary education must continue to be the top priority. Under our sector support and budget support programmes in the great lakes area, we have been supporting the Ugandan and Rwandan Governments in improving the management of equality at all levels of the education system, including the secondary system and tertiary and higher education. In Rwanda, we are providing technical assistance to the Ministry of Education to help it to develop a national council of higher education and a student financing agency—the prelude to developing the capacity that it needs to expand higher and secondary education.

I want to pick up on the role of regional institutions—the New Partnership for Africa's Development and the African Union—in helping to tackle problems of capacity and to improve access to teacher training, which my hon. Friends the Members for Stroud and for Glasgow, North (Ann McKechin) picked up on in interventions and which the Commission for Africa highlighted in the report that it published in March. We are responding to the work initiated by the AU and NEPAD. They have set up a high-level working group that will take into account existing capacity and seek to identify the many gaps on the ground in terms of access to higher education. It will then produce a fully costed sequenced work plan to begin the process of expanding access to higher education, perhaps through investment in human and physical capital through regional centres of excellence.

NEPAD is particularly keen to develop a regional teacher training programme, which I know will warm the heart of my hon. Friend the Member for Stroud. In particular, it could draw on information and communications technology for distance teacher training. NEPAD's target countries for that programme are Rwanda, the DRC and Burundi. We are working to ensure that such work is closely integrated with the Governments' own plans to expand access to higher education in those countries. A series of initiatives is already under way, not least through the commonwealth of learning and the Open university-led consortium on teacher education in sub-Saharan Africa. The key is to harness the efforts of all those programmes together. We are working closely with developing countries to that end. *[Interruption.]*

Mr. Bill Olner (in the Chair): Order. Hon. Gentlemen who are entering the Chamber for the next debate must pay some attention to the one that is going on.

Mr. Thomas: I want again to praise the contribution of my hon. Friend the Member for Falkirk in initiating the debate. It has been a very useful discussion of the key issues that affect education in the great lakes area, and the lessons for the wider African education system.

Adult Education

10.56 am

Dr. Vincent Cable (Twickenham) (LD): I appreciate the opportunity to introduce a subject that is important to me locally, but which is also timely and important nationally. I have been buried in paper in the past few days and pay tribute to the Association of Colleges, the National Institute of Adult Continuing Education, the higher education teachers union, NATFHE, and others, for briefings that I have received.

The context of my remarks is the good news story that adult education in Britain is among the most developed in the industrial world. We rank No. 2 on education participation in the Organisation for Economic Co-operation and Development, with 3.5 million people involved in it. The participation rate is, it would appear, declining, but that is probably for demographic reasons and the growth in the number of very old people in the population. In general, however, Britain is well placed in this sector.

In the past few months, however, anxiety has been growing about the future of adult education. That has been most forcefully expressed by the Association of Colleges, which has estimated that participation could decline by 200,000 a year, at the start of the new academic year of 2005–06. It subsequently upped its estimate to 300,000. That has since been confirmed, I think, by the Learning and Skills Council, which is also working with estimates in that range. The Association of Colleges has talked of the state of affairs as a "funding shambles".

There are three headings under which I want to discuss the subject. The first is funding; the second, which overlaps with funding, is priorities; the third is governance, including centralisation, target setting and the role of the Learning and Skills Council. Before I start on those headings, however, I want to make a brief detour into local and personal details that explain why I take the subject seriously.

Richmond college, the adult education college in my area, is exceptionally highly regarded, even by the standards of the sector. It is a beacon college and a centre for excellence in many ways. The Secretary of State for Trade and Industry visited a few months ago to pay tribute to its work. Its enrolment has doubled in the past five years, but what will probably give the Minister the greatest pleasure is the fact that about 55 per cent. of its income is raised through fees. That is twice the national average and it is way out ahead of the pack in that respect.

What is important about the college is, however, not simply the numbers. It does two things, to which hon. Members would probably all, from their constituency experience, pay tribute. First, it provides a sense of community. My constituency has many transient young professionals who do not sink roots, but who find a sense of community in the college. There are many people who are socially isolated—who, because of handicaps and difficulties, have little social communication. The adult education college brings them together.

[Dr. Vincent Cable]

Secondly, the college also manages to help people to realise their potential in exceptional ways. I am sure that we all have relevant stories, but a few months ago I was asked to hand out the awards at the outstanding learners evening, and there were some remarkable examples. One young man with quite advanced cerebral palsy and little muscular control none the less succeeded at college in mastering advanced IT skills, and he now runs his own small private business. A Traveller from the local Traveller site was the first in generations to have learned to read, and she now reads bedtime stories to her grandchildren. A young black Londoner from south-east London, who could not get on an access course nearby, had to spend two hours a day travelling to south-west London to do an access course in drama. He was recruited to play the lead role of Othello in the annual play, and on the strength of the critics' reviews is now launched on a potentially successful drama career. Perhaps the most striking example is that of a man who travels for five hours a day from Essex to attend a college course in Dutch. He has never missed a class, yet he strives to do it against a background of learning difficulties and serious mental illness—difficulties that he has overcome.

That leads me to a personal point. I feel strongly about adult education because of what happened in my family. I guess that many people have a similar background. My mother, like many of her class and generation, left school at 14 to work in a York factory producing chocolates. She was an intelligent and creative woman, but her role in life was to produce children, bring up the family and to put three hot meals a day on the table for the men in the family.

Necessarily frustrated, she became what in modern parlance we would call a desperate housewife. The frustration drove her to mental illness—she spent a period of time in a mental hospital—and prolonged depression. She was saved, mentally, by adult education. She learned about poetry, art and philosophy, which were enormously difficult for people without rigorous intellectual training. It also required a lot of moral courage to operate in a community that disparaged such learning. I still remember the bitter arguments across the dinner table. My mother was berated for not doing anything "useful", such as learning to type, and was asked why she persisted with arty-farty subjects that were of no use or value.

I cite that personal example because it illustrates a fault line that runs through all debates about adult education. It was illuminated by the Minister in Education questions last week, although I do not know whether he intended to do that. He mustered all the withering scorn that he could to put down a Conservative question, saying that we should not waste our resources on what I think he called "Australian cake-making". It was not a terribly well chosen example because there is no such thing, but we all know what he meant. The Government have the idea that some subjects, such as plumbing, IT and operating machine tools, are useful, and that the leisure courses, such as Australian cake-making or flower arranging, which are populated mostly by middle-aged, middle-class women should, to the extent to which that form of education should be tolerated, be paid for in full.

Mr. John Redwood (Wokingham) (Con): Is the hon. Gentleman aware that people in my constituency who develop hearing difficulties and who attend a lip-reading course now have to pay £186 for a course that used to be free, thus making it difficult for them to improve their way of life? Is he aware also that the learndirect centre in Wokingham is threatened with closure as a result of that policy, which will destroy many of the good opportunities to which he so rightly draws our attention?

Dr. Cable: Yes, the right hon. Gentleman is correct. British sign language—I think that that is what he refers to—is not an accredited course and it therefore falls on the wrong side of the rather arbitrary fault line that is drawn through education. As he is a former Conservative Minister, I should mention in passing that his party has been through the same process. In 1991, the Conservatives tried to distinguish between useful and non-useful adult education, but they got a bloody nose and wisely retreated from that course of action.

On the main argument, I shall speak first about resources and then move on to matters of priority. We could have one of those rather futile debates in which critics say that the Government are not spending enough and the Minister says that they are, but that does not take us very far. It would probably be more useful to establish exactly what is happening with resources, which is a more subtle problem.

The starting point is the spending review, which the Government use as their base and the Opposition parties used as their base case in presenting alternative spending projections during the election. In the spending review, the further education sector was allocated 7.5 per cent. annual cash growth, which was quite a generous settlement. It is a mixture of inflation, improved quality and additional tasks and obligations on the sector, with which nobody quibbled at the time. However, in the last year of the spending review—2005–06—that figure has been reduced to 4.3 per cent. No explanation has been given for that. There may be good reasons for it, but they have never been given.

To compound the problem, the Learning and Skills Council sent a letter on 2 June to all college principals explaining how that 4.3 per cent. growth is to be made up. Within the aggregate, there is a remarkably large 10.3 per cent. growth in funding for 16 to 18-year-olds, but a cash cut of 3 per cent. for adult education. Therein lies the source of the problem. It is not just that there is a cash cut of 3 per cent. The colleges estimated that they needed 5 per cent. growth to maintain constant provision, but, in effect, they have had a cut in funding of 8 per cent. for the current year. The sector expects, on the basis of information received from the Learning and Skills Council, that the position in 2006–07 could get a great deal worse.

Mr. Jeremy Browne (Taunton) (LD): Is my hon. Friend aware that in the colleges that place a large emphasis on adult education, such as Somerset college of art and technology in Taunton, the effect is more than £1 million a year in budget reductions, which is about

8 to 10 per cent. of the overall budget? Consequently, many courses are being discontinued, leaving students in my constituency and elsewhere stranded.

Dr. Cable: That is the case. In practice, the issue confronting college principals is whether they deal with that problem by, as my hon. Friend says, cutting courses or by raising fees. That is the issue on which we should focus.

I have no ideological problem with raising fees in certain circumstances. There may well be a good argument for it, and my local college makes substantial use of fee income, which is more than the national average. So it is not a fundamental ideological problem. However, the problem with proposing a substantial increase in fees at this juncture is that it is superimposed on a fee increase for which the Government had already budgeted. Even before the recent cuts were announced, they said that colleges should raise the source of fee income from 25 per cent. of their total to 27.5 per cent., which translates into a 15 per cent. increase in fees on Government-approved courses. Taken together with the cut in funding in cash terms, either a large number of courses will disappear or, as the Association of Colleges predicts, the fees for many non-priority courses, as they are regarded, will double or treble.

Dr. Ian Gibson (Norwich, North) (Lab): This is a serious issue, and I am tantalised by the problems described. More money is going in, yet we hear of courses disappearing. Does the hon. Gentleman agree that it is not just courses, but lecturers, that are disappearing? Some of them may be facing compulsory redundancy and the bosses in some of those institutes can get away with that.

Dr. Cable: Yes, and many of those members of staff who are going to lose their jobs have highly specialised and valuable skills that will be permanently lost. It will be difficult to bring them back in a few years' time, and the hon. Gentleman is absolutely right about that.

Mr. David Drew (Stroud) (Lab/Co-op): A quick point. Given that so much of the budget is biased towards 16-plus education and schools have been more successful in getting people to stay on, does the hon. Gentleman accept that the effect is disproportionate because of the disparity of funding between schools and further education? The learning and skills councils, therefore, have had additional problems, which means that they end up cutting back even further.

Dr. Cable: The hon. Gentleman touches on a related issue, which is the unfairness—I think that is what he is talking about—of the funding gap between FE colleges and schools for the same age cohort. That is a valid point, but I am dealing with a somewhat different issue, which is the fees that would be paid for adults.

David Taylor (North-West Leicestershire) (Lab/Co-op) *rose—*

Dr. Cable: Perhaps I will press on and take the hon. Gentleman's intervention later.

The problem with a substantial increase in fees at this stage is that there would be two consequences. One is the substantial impact on people with disadvantages and on low incomes. A change that has been slipped through quietly and has not had adequate attention drawn to it is that a special stream of funding, which is available for child care and transport for people on very low incomes and with disadvantages, is being substantially cut—by 24 per cent.—simultaneously with the other provisions.

The other consequence is for the mainstream courses. Price elasticity being what it is, if there is a big price increase, demand will fall, lower volumes of people will apply, courses will close, fewer people will come into adult education and there will be less income for colleges. With less income, there is less funding to cross-subsidise the low-income and disadvantaged pupils.

We have an absurd position in my local adult college because of the Government's emphasis on 16 to 18-year-olds. The college authorities are chasing pupils from private schools, while disadvantaged learners are having to be turned away, because there is no prospect of funding them. Although I have no objection in principle to fee income, a substantial increase of the type envisaged will have all kinds of unintended and damaging consequences.

That leads on to the second issue that I want to raise, which is about priorities. The Government's job is, of course, to set priorities. I do not think that anyone would quibble with that. At first sight, what they have said about their priorities makes common sense. They said that, first of all, we need to concentrate on 16 to 18-year-olds. That is entirely legitimate. The problem is, whereas that may be a good generalisation about the needs of the national economy, in many parts of the country, that is not the relevant problem. Certainly in my part of London, most 16 to 18-year-olds already go into advanced studies. We do not have a large number of young people who are unemployed. So the priorities are different. Indeed, I would question the priority given by the Government nationally to that age group because it is, perhaps, excessive.

Labour market analysis has shown that two out of three new jobs created over the next 10 years will be for adults. We have a growing problem of people becoming redundant in their 50s, but who are expected to work to 70 so that they cover the deficits in their pension funds. They are going to have to work and to retrain. That is where the real demand will be.

NIACE makes a telling observation about the skewed priorities that are being introduced as a result of the emphasis on 16 to 18-year-old education. In many cases, the further education sector and adult education are being used to cover up for the failures within the school system. NIACE makes the point:

> "The price of this distinction is that every extra young full-time student place is being paid for by approximately ten fewer . . . adult students."

That is an enormous distortion and moves in the opposite direction of what the economy demands.

The second basic priority that the Government have established, which again is superficially attractive, is the emphasis on skills, particularly level 2 skills training—that is, GCSE equivalent. That may well make sense at a national level, but the problem in adult education is that it introduces all kinds of unintended distortions. For example, in the area that I represent the main demand locally is for level 3, not level 2, training. That happens to be the nature of the local economy. The

[Dr. Cable]

national prescription does not fit. That priority also leads to some absolutely absurd situations in relation to fee income.

Until now, in areas with low unemployment such as my constituency, employers—for example, in construction and catering—have been happy to finance level 2 skill training and pay fees for their students. Under the Government's ruling, however, they are not allowed to pay fees. Colleges are required to provide free education and training and are consequently losing £20 million of fee income simply because variations in conditions in different parts of the economy are not recognised.

For many people from deprived backgrounds, what is known as "full-fat" level 2 training is not the right approach. A lot of people on low incomes who have had a difficult experience in the labour market and who are trying to gain qualifications gradually—particularly women with young children—prefer small courses to level 2 training. They want to enter the system at level 1 or through pre-entry courses. Those courses are not covered by the Government's priorities so those people will have to pay fees. All kinds of entirely unintended but very damaging consequences flow from the priorities that the Government have set.

A distinction is often made between accreditation and non-accreditation. In the further education sector, some courses are regarded as accredited and therefore worthy of certification, but many are not. A great deal of research has been done, particularly by NIACE—one of my constituents, Karen Bhamra, produced a good report on the subject—on the enormous contribution that both vocational and non-vocational non-accredited courses make to adult education. The way in which the funding system is now skewed seriously undermines non-accredited adult education. Some of it is protected through local authority funding, but much is not. An awful lot of non-accredited adult education will be swept away and a large number of courses will disappear.

Finally, I want to address the system of governance of adult education. In the early 1990s, adult colleges were made independent. There were arguments for and against that, but I will not revisit them. Now, not only has local authority accountability been lost, but we have a stream of highly centralised and prescriptive set of rules governing the adult education sector. They stem partly from public service agreements and partly from ring-fenced funding. Local labour market conditions, local preferences and the make-up of the local population are simply not reflected in freedom of choice for local colleges. Whatever is said about the level of funding, why are local colleges not better able to set their priorities, rather than them being imposed centrally in circumstances in which they are often inapplicable?

Another element in governance is the role played by the learning and skills councils, which, as far as I can tell, are a lavishly financed administrative layer. I have never understood the roles that sub-regional learning and skills councils play. In my part of London, there is an entity called London South. Although it is enormously difficult to travel from one part of the area to another and that sub-regional entity is in no way related to either London or regional government, it sets our local priorities. I suggest, not at all flippantly, that if some of the £350 million a year of administrative costs of the Learning and Skills Council was trimmed, some of the funding gap in adult education would be addressed.

When the Government were first elected, it was acknowledged in their Green Paper "The Learning Age", introduced by the current Secretary of State for Work and Pensions, that a good start had been made at giving political backing to the concept of lifelong learning and that there was a proper understanding of the role that adult education performs. Partly as a result of legislation introduced in 2000, however, we have gone back to the idea that there is a utilitarian distinction between useful skills and frivolous leisure learning. That now underlies much of the Government's preoccupation with priorities.

It may be useful to read a comment that captures an enlightened approach to adult education that is in serious danger of being lost:

> "We have a great tradition of learning in this country, including the great heritage of adult and community education which developed in the 19th century . . . We must build on this tradition to restore a culture of commitment to learning . . . not all learning should lead to awards . . . many adults, including large numbers of older and retired learners will want to pursue high quality and rigorous study for its own sake, and I expect provision to be made available to meet their needs."

Those comments were made by the then Secretary of State for Education and Employment, now the Secretary of State for Work and Pensions, and they strike me as an enlightened and far-sighted view of what lifelong learning means. A central reason for having this debate is that I fear that that vision is in danger of being completely lost.

Several hon. Members *rose—*

Mr. Bill Olner (in the Chair): Order. Before I call the next speaker, I should say that six hon. Members have written to me, hoping to catch my eye during the debate. As can be seen, the debate is well attended. I want to give the Conservative and Liberal spokesmen time towards the end of the debate, and I want to leave ample time for the Minister to answer the questions that have been posed. If hon. Members are concise, I will call as many as I can to speak.

11.22 am

Dr. Ian Gibson (Norwich, North) (Lab): I welcome the debate because we often see education only as higher education, degrees and top-up fees, and once we have finished debating them we discuss child care and so on. Adult learning has slipped back and been put bottom of the list.

I want to make one point to confirm much of what the hon. Member for Twickenham (Dr. Cable) said. The city college in Norwich faces funding cuts of £630,000 in its adult learning courses—an 11 per cent. cut—and a further £175,000 cut in additional learning support. Many adults attend the college, and I have been peppered with complaints from constituents—as has my right hon. Friend the Member for Norwich, South (Mr. Clarke)—about courses being withdrawn. Those include courses that are both oversubscribed and undersubscribed. There seems to be no rationale behind the decisions, although I accept that they are taken locally.

Millions of pounds are being taken out of the further education sector. About 50 courses will be withdrawn in Norwich, and, as I said in an intervention, full-time posts will disappear. Some 20 full-time teaching posts will be lost, and negotiations are proceeding about compulsory redundancies.

Additional funds are coming in for 16 to 18-year-olds, but they do so at the expense of many of the positive developments that the college has made in supporting adults. The college has succeeded in attracting more and more adults. Enthusiasm is growing both in a burgeoning city and across the county, which is struggling in rural areas to keep up with modern learning. Three centres of vocational excellence in outlying areas will be closed, and it is there where local people acquire the skills to help in the areas that we are trying to develop—energy programmes, for example. Our hospitals are also trying to train our technical staff to assess infections and identify bugs, but all those programmes will disappear. Once again, we will all be asked to go down the road to Cambridge, and if anyone thinks that getting from Norwich to Cambridge is easy, they should try it.

About 10,000 learners aged 19 or over are enrolled this year on courses in Norwich. They want the knowledge and skills to compete in the employment market, and they want simply to develop their education. I find it difficult to know what is a good course and a bad course. I also find it difficult to know what is a good lecture and a bad lecture, having had personal experience of both. Aromatherapy, hypnotism and all those things are suddenly becoming quite important in the medical field, although they were pooh-poohed at one time as being practised only by witches and warlocks. However, they are now the subject of serious educational programmes, so we should never sneer at the kinds of things that go on. Learning word-processing and to become computer-literate are essential skills for adults and young people alike; if they are taken away from adults, it will affect UK plc.

Bob Spink (Castle Point) (Con): The hon. Gentleman's people should not try to come to Essex to get their courses, because in some areas of Essex there has been a 10 per cent. cut in adult learning centres.

The hon. Gentleman spoke about courses. Is he aware—knowing him, I am sure he is—that the Department of Health published a Green Paper in March 2005, which identified the fact that only about 25 per cent. of people working in social care had the relevant skills? Does he think that the Government's policy on adult education will cut a means by which people who are getting on in life can pick up new skills and, for instance, go into social care?

Dr. Gibson: I thank the hon. Gentleman for his intervention. I agree with him. I fear that we may be missing a trick or two in terms of the talents of many people in our society—even in Essex, where I believe there may be some talent in odd places. We will miss a lot of tricks if we do not allow those adult education courses to continue.

I also want to say that I do not believe that fees are the answer to anything. Many hon. Members present will know of my antipathy to top-up fees and similar measures aimed at trying to sort out funding crises. Fees will never do that—they are certainly not solving the problem in universities, and they will not do so in this situation. If there is a 15 per cent. increase in fees every year, that is more likely to put people off. Many adults I know are already being put off by the increases that are proposed for the coming year.

In an area such as Norfolk—I speak in a very parochial way about this—where there is a low-income economy, more and more skills will be lost to our society. Demographic results have shown that the number of 16-year-olds will fall over the next few years. If, in the kind of yo-yo effect that seems to go on in education all the time, we switch back to adult education again, will adults really have the enthusiasm and the trust to take up some of those courses? I doubt that, if the process that seems to be going on now is allowed to continue.

11.28 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for Norwich, North (Dr. Gibson) and I join him in congratulating the hon. Member for Twickenham (Dr. Cable) both on his choice of subject and on the very balanced and measured way in which he presented it. Like the hon. Member for Twickenham, I want to focus on the reduction in resources made available by the LSC, and particularly on courses for those with a learning disability.

The Government have often spoken about lifelong learning and about the needs of people with learning disabilities. Before coming to the debate this morning, I revisited the Labour party's election manifesto, "Britain Forward Not Back" to see whether there was any hint of a cut of 3 per cent. in adult education within a month of polling day. If there was, I am afraid that it escaped me, but I did read:

"Further education is vital to vocational lifelong learning. Achieving a transformation in FE colleges requires both our increased investment and serious reform."

However, as has occurred quite often, and as the hon. Member for Twickenham implied, the rhetoric is slightly ahead of the resources. I wonder whether Ministers realise what is now affordable locally and how that contrasts with their aspirations for that sector. I wonder whether they have really thought through the budget cuts for adult learning and tried to reconcile them with some of their ambitions.

Between 1999 and now the sector has done reasonably well, and I welcome that. However, the tap has now been turned off, as the LSC letter that the hon. Member for Twickenham read out made clear, and the budget reductions have been aggravated by the policy change to which he also referred, which has hit those with learning disabilities particularly hard. The policy change has removed the ability internally to accredit a course designed to meet the specific needs of people with learning disabilities. National funding is no longer available to locally accredited courses, and that double whammy has hit those with learning disabilities particularly hard. I am grateful to Andover and District Mencap for giving me a clear exposition of what is going on.

[Sir George Young]

There is a dearth of externally accredited courses for people with learning disabilities for which colleges can claim funding. Does the Minister plan to address that problem and ensure proper external accreditation for the courses that we have discussed?

It simply is not realistic for colleges such as Cricklade to fund such courses with their resources. People with learning disabilities often cannot travel the long distances to Basingstoke, or Salisbury as it would be for my constituents, for accredited courses. The point is well made in paragraph 4.2 of Peter Little's "Strategic Review of LSC provision for Learners with Learning Difficulties and/or Disabilities (LLDD) across the post-16 sector—Interim Report", in which he says:

"There appears to be little or no incentive for local LSCs to encourage the development of local provision for learners with more complex learning difficulties . . . since a placement at a specialist college is funded from a nationally held budget".

The impact of that is to restrict learner choice and the development of accredited courses at local colleges.

The letter is explicit about resources. There is simply a budget cut of £55 million—backwards, not forwards, to paraphrase the Labour party's manifesto. Last week, *The Times Educational Supplement* forecast a reduction in post-19 places of 300,000.

The LSC letter expressed the hope that

"provision for Learners with Learning Difficulties and/or Disabilities remains a priority and the LSC's expectation is that the overall proportion of such learners will be maintained."

Sadly, that is not happening, and the cuts are beginning to bite, as we have heard.

I have a letter to one of my constituents from Cricklade college. It states:

"I write to inform you that unfortunately Cricklade College will not be able to run the Summer Scheme during the Summer Holidays. This is due to the funding restrictions imposed on non-accredited courses by the LSC".

I hope that the Minister will put into perspective the Government's policy not only on adult learning, but on adult learning and courses for people with learning disabilities, as they appear to be particularly vulnerable to the changes on which the debate has touched.

11.32 am

Mr. Michael Foster (Worcester) (Lab): It is always good to follow the right hon. Member for North-West Hampshire (Sir George Young) because he brings a degree of expertise, particularly on those who require special learning help.

I congratulate the hon. Member for Twickenham (Dr. Cable) on securing the debate. I think we all recognise, in our constituencies, his description of the successes of people going through adult learning. We should all use the Chamber and other places to celebrate that.

I shall address the impact of the changes in my constituency, and shall refer to my wider knowledge of the education sector as a whole. Hon. Members have raised the issue of funding cuts and the fact that they are squeezing out some of the non-priority courses offered by further education and adult education colleges.

The Association of Colleges rightly recognises the 2.5 per cent. guaranteed increase that colleges are likely to get, but in our constituencies we are experiencing reductions in provision at the very time when the Government want the take-up of education and lifelong learning to increase.

The unintended consequences of the focus on level 2 provision has been identified as being part of the problem that colleges face. Ironically, it is having an impact on the very people whom the Government intend to help and support in offering free level-2 tuition. Some adults are unable to take up such tuition because they do not have the necessary skills to take part in the training, but colleges might be forced to reduce provision of training below level 2 as funding is reduced, which will, in turn, reduce the number of adults who will be able to take up the free level-2 tuition.

In some cases, the situation is worse, because only courses from a centrally approved list that lead to nationally specified qualifications are funded by the Learning and Skills Council and are therefore free to the learner. That means that some adults might end up doing a course that they do not need to do, which is clearly a waste of resources. Courses are also being cancelled because they are not centrally approved, even though they are designed to attract learners in the difficult, hard-to-reach areas of our communities. We should also all acknowledge that some adults are put off learning by the prospect of facing an examination at the end of their course.

Some colleges might respond to the funding change by over-supplying level 2 courses. That might not be relevant to local economic circumstances, as the hon. Member for Twickenham said. Indeed, some adults who are in work and who are able to afford level 2 provision—indeed, their employers might be able to pay for it—are now being funded free by the Government. The principal of Worcester college of technology estimates that it could suffer up to £100,000 a year in lost fee income as a result.

Above level 2, there is also a demand and supply issue surrounding the level 3 requirements of many employers in areas with a relatively strong economy, such as Worcester. In the wake of the recent crisis at MG Rover and the redundancies faced by many thousands of workers, it was found that many of them required level 3, not level 2 training. Colleges are not necessarily geared to respond to such a problem, and I would like the Minister to consider it.

Adult education has long been recognised as a route into more formal learning for many workers. The employee development programme operated by Ford Motor Company provided free adult learning for its staff so that they could participate in lifelong learning, even though it may not have had any direct relationship to the work that they did for Ford. The programme is used as an exemplar for many organisations around the country. My own employer, Jaguar, developed a very similar model; it did not offer free tuition for all courses, but if an employee could show that there was some relevance—even a tenuous link—to the world of work, the tuition was provided free. A basic bricklaying course might have equipped a worker only to build a barbecue in their back garden, but there was a link, in that, at some point, they might work for the building

maintenance part of the company, rather than on the production line. So adult learning has always had an important link with more formal routes of learning.

There is a more general point, however, and I want to spend a little more time on it even though it has been raised. It relates to the funding gap for further education colleges generally. FE colleges deliver the vast majority of adult education courses. They were perilously poorly funded before 1997, and there was great hope and excitement in the sector when Labour was elected. In 2001, the promise was made to close the gap in funding between schools and FE colleges, but I am sad to say that progress seems to have stalled.

The gap is generally recognised to be about 10 per cent., but a report commissioned by the Learning and Skills Development Agency and presented to the Learning and Skills Council and the Department for Education and Skills in February showed a funding gap of between 12 and 14 per cent. Will the Minister confirm the findings of that LSDA report? Will he also ensure that it is made publicly available, perhaps by the end of the week, so that we can see what has happened to the funding gap?

Worcester city has a tertiary sector. No local school has its own sixth form. We are very well served by Worcester sixth form college and our FE college, Worcester college of technology, but with a funding gap of such proportions my constituents are losing out compared with those in other parts of the county of Worcestershire.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Does the hon. Gentleman agree that cuts in adult education will have an impact on older people? Many over-60s derive incredible benefit, and enhance their quality of life, from courses such as those run by Barnet college in my constituency. The massive hikes in fees put such courses beyond the modest means of many pensioners.

Mr. Foster: I accept what the hon. Lady says. It also leads to the dilemma that I suspect that those who provide the resources face—that no assessment is made of the motivation or the needs of the learner in adult education. Those who are not particularly wealthy might suffer if they want to continue adult learning, whereas others who might be quite well off will be able to afford to pay a higher fee—for example, those who want to use adult education to improve their Spanish, which will be useful when they go to their second home when the weather here gets a bit inclement. No assessment is made of an adult's ability to pay the tuition fee, and that is a dilemma for those providing the resources. However, I do not want to address that matter now.

Schools benefit more than further education colleges in a number of other ways. For example, there is no funding reduction when a student leaves or drops out of a school course. Automatic funding increases when extra students are enrolled at a school but not at an FE college, even if it is the same course. Extra money is given to schools through the standards fund mechanism. Schools get reimbursement of VAT because no VAT is paid by education establishments for under 16-year-olds. It is estimated that further education colleges, but not schools, face irrecoverable VAT at hundreds of millions of pounds and various costs, such as transport, are picked up by local education authorities for schools but not for FE colleges. The cost of maintaining and financing buildings is lower in the school system compared with that in further education.

Will the Minister meet the stakeholders in the FE sector now to try to find a way through the problems that are being flagged up before they become greater problems for individuals in our constituencies? In the longer term, I fear for the benefit of the country as a whole.

Mr. Stewart Jackson (Peterborough) (Con): Following what the hon. Gentleman said, which I agree with, will he persuade his hon. Friend the Minister to undertake a review of the impact in the academic year 2005–06 on post-19 adult education throughout the country? Will he also ask the Minister to consider ring-fencing post-19 adult education in 2006–07? Finally, will the hon. Gentleman comment on the impact of the job losses as a result of cuts in my constituency, which include the forward centre—

Mr. Bill Olner (in the Chair): Order. The hon. Gentleman's intervention is rather long.

Mr. Foster: The Minister heard exactly what the hon. Gentleman had to say and I entirely agree with his contribution. I hope that the Minister will do what he asks. I am sure that the hon. Gentleman will have the opportunity to raise the issue of job losses later in the debate.

I hope that the Minister recognises that the debate is not a whinge but a genuine call to look closely at what is happening in local colleges. The Government have many friends in the further education sector who are drawn to them because of their sincere belief that education and lifelong learning can and do transform people's lives. They give many adults the second chance in life that they need, and I urge the Minister to listen to his friends on the issue.

Several hon. Members *rose—*

Mr. Bill Olner (in the Chair): Order. I will call the first spokesman at 11.50 am. If the next two speakers could limit themselves to two or three minutes each, there will be time for two more speakers.

11.45 am

Sarah Teather (Brent, East) (LD): I congratulate my hon. Friend the Member for Twickenham (Dr. Cable) on securing such an important debate. I shall have to be extremely brief, so I should like to highlight the impact of the Government's priorities on my constituency, which is an area that the Minister might expect would benefit from prioritising training in level 2 and basic skills. The problem in my constituency is that the demand is for construction skills and basic skills, particularly English as a foreign language, which both require high-cost training.

The college of North West London in my constituency outperforms against all targets. There is a massive demand, but it cannot meet that demand. The high cost of such courses and the requirement on the college to provide

[Sarah Teather]

them free of charge mean that it is penalised for meeting the Government's targets. The principal of the college must either turn away the students whom the Government have told the institution to recruit or risk its financial viability. That is a ridiculous situation, as I am sure the Minister will agree.

As in the constituency of the hon. Member for Worcester (Mr. Foster), the need in my constituency is for pre-entry or level 1 training. There is a huge waiting list for level 1 training, but there is now a push to move people through to level 2, which is not where the need is. That makes it difficult for the college to meet local need. Long-term unemployment in my constituency has jumped by 50 per cent. since 2001. The college is ready and able to train the young people and adults who need those skills so desperately, but because of Government priorities, it finds that it is unable to meet that need.

11.46 am

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I thank the hon. Member for Brent, East (Sarah Teather) for her remarks and will make mine equally brief. Bridgwater college is one of the first seven beacon colleges and has won awards every year from the Association of Colleges. However, the Government asked it to take on a land-based college—Cannington college—which it did. As a result of that, this year Cannington college will have a cut in funding of more than £800,000, and that is just one of the colleges—Bridgwater college itself is losing 15 per cent. of its money for students. If that continues, the college will lose all its adult learning at that level, and the land-based education, which the Government want to promote, will disappear. The problem is an increase of 50 per cent. in basic skills training. The college also wants to increase provision for 16 to 18-year-olds by 7 per cent., but it cannot do it.

I plead with the Minister on behalf of Cannington college, which provides land-based education—which the Government want to continue—and Bridgwater college, which has achieved everything that the Government have set it, which has broken records and which I am delighted to support, to address land-based and apprenticeship training. Otherwise, places such as Bridgwater college will not do what they are meant to do, which, in my constituency, is to fill the gaps left by job losses in manufacturing. British Cellophane went last month and hundreds of jobs have gone. The colleges are trying to retrain people, but they do not have the money to do so.

11.48 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I, too, congratulate my hon. Friend the Member for Twickenham (Dr. Cable) on securing this debate, which is timely, as we all know from the representations that we have received from local colleges and local education authorities. Listening to the debate has led me to wonder what has happened to our vision of lifelong learning. Has the focus shifted too closely on to giving people, mostly younger adults, the skills required by employers?

The Liberal Democrats have supported the principles behind the Government's priority areas—basic skills, level 2 qualification for adults and increasing the number of 16 to 18-year-olds who stay in full-time education. It is indeed shameful that the fourth richest economy in the world should have one of the worst drop-out rates at 17 internationally, and too many adults without level 2 qualifications. However, many questions and issues have been raised today and I hope that the Minister will address them.

As recently as March 2005, the Government published a White Paper, "Skills: Getting on in business, getting on at work", which included the following words:

> "While the economic and vocational purposes of skills are vital, they are in no sense the whole story. A cultured and civilised society must also sustain a wide range of opportunities to gain skills and acquire knowledge for their own intrinsic value. Investment in personal and community learning secures health and citizenship benefits for individuals and communities."

We have heard today about disadvantaged people who are losing out, and about people with disabilities. We must all have concerns about the size of the proposed fee increases and the cuts in adult education, while supporting the basic principles of the strategy. Its implementation has had perverse and unintended consequences.

Many of us agree that there is scope for increasing fees for some courses, but we are talking about fees going up by 50 per cent. The Government's policy is having knock-on effects and, with cost pressures, concessions have been removed. In theory, those on lower incomes will still be supported, but what about people on the margin? The size of the increases will be destabilising, because even where courses are still offered, take-up will be less than predicted, so even more classes may close. We have heard about the wider benefits for the elderly, but a lot is going to be lost. If there had been better planning, the increased fees could have been phased in. Some classes can be provided in other ways, but the middle class can access courses more easily through, for example, the university of the third age and learning clubs. The disadvantaged are losing out. The impact of increased fees will be a real loss to the process of widening participation, to which we are all committed.

Many of the courses that do not attract funding may be seen as gateway courses, and popular courses have been forced to close. An obvious gateway might be a level 1 course, which colleges are not required to offer free. More generally, participation in a non-accredited course that meets their interest gives people the confidence to know that they can learn, and can be the starting point for a lifelong engagement with learning. The entitlement to free learning to achieve a full level 2 qualification is unlikely to attract adults whose experience of formal learning has not been happy. I taught in further education for many years, and it is very rewarding to take on disaffected young people who have left school and go on to become prize students. However, the right attractions must be provided to make people want to take the first step through the door, or even open the door in the first place. I am concerned that the door is being closed, and we must think carefully about that.

The provision of basic skills courses is also important. The Association of Colleges points out that it is now a requirement that only courses from a centrally approved list leading to a nationally specified qualification can be funded. That means that some adults have to attend

classes that they do not need, and others are put off by an exam. That is an important point. People need to take the first step into lifelong learning. Many of the basic skills courses that colleges run in their local communities, such as pre-entry literacy, are being cancelled because they are not on the centrally approved list. Many hon. Members have made that point about local courses.

I was privileged to meet this morning a group of students with learning disabilities who were written about in *The Times Educational Supplement* last week. It is possible that 60 disabled students with severe learning difficulties will lose places at their local college. It is now June and it is very late to start to secure other sources of funding. In my local area, there is a course for computing for the deaf, which may pick up funding from elsewhere, but time is a factor. Other losses include crèche facilities, making it difficult for parents to return to learning, and IT in the community. Women returning to work face another restriction; they may have a level 2 qualification, but they are still likely to need a course that is funded. We are also hearing about cuts in child care courses, although I believe that the Government are trying to recruit more child care workers.

Many colleges are in turmoil. My local college predicts cuts of £886,000 in funding for courses. How did we get into this situation? As my hon. Friend the Member for Twickenham said, the increase in LSC funding for November 2004 was predicted to be 7.6 per cent., but by May, the average cash increase actually granted to the colleges was 4.3 per cent.

In a way, it is good that the budget pressures have occurred because there has been a high take-up of education among 16-to-18 year olds. That is the ironic price of success; the more successful we are in increasing 16-to-19 participation, the smaller the sum that remains for adult learning. We should congratulate the Government, but say, "Hang on, we need to re-evaluate." My local college was told that it was very lucky because it had £400,000 extra cash, but that amounted to only a 2.1 per cent. increase and did not even cover inflation or wage costs.

I shall summarise the four main issues that have been raised this morning. First, we should not lose sight of the fact that learning is valuable in its own right and is not simply a way of meeting targets. It is not necessarily the targets that are causing the problems, but we must ask whether the current focus is costing us too much in terms of a broader curriculum and ultimately all that enhances our quality of life.

Secondly, the 2005–06 funding, and the reactions to it—we have had a few this morning—is yet another wake-up call from the further education sector. We should remember that this is not the first such call. We must take heed of that warning and at least re-evaluate the situation before finalising the funding for 2006–07, because the situation looks very serious.

I note that the Association of Colleges believes that it is impossible to reconcile the current and planned position of colleges, which provide learning for 3.5 million adults and more than half the technical qualifications in the economy, with the aspiration of the national skills strategy, unless there is serious reconsideration of both the funding and the way in which it is implemented.

Thirdly—

Mr. Bill Olner (in the Chair): Thirdly, and lastly.

Annette Brooke: Thirdly, given the focus on 16 and 18-year-olds, why are the Government not doing more to close the funding gap between colleges and sixth forms in schools?

Lastly, localism—supplying and providing for local needs—is all-important.

11.58 am

Mr. Mark Hoban (Fareham) (Con): I congratulate the hon. Member for Twickenham (Dr. Cable) on securing the debate and on setting out with great clarity the background to the problems that our further education colleges face today. Few people in Westminster Hall today would disagree with his analysis.

I want to follow up two of the hon. Gentleman's thoughts on the crisis. First, the Government's nationally set priorities do have an impact on local provision. That point was echoed by several hon. Members, who have had the same experience in their constituencies. How does one reconcile central Government priorities and the needs of the local community? The hon. Member for Brent, East (Sarah Teather) talked about the need for basic skills courses in her area, but different parts of the country have different needs. The hon. Member for Twickenham referred to the high level of basic skills in his constituency, and the need for more advanced courses, which was not picked up in the Government's central priorities. This requires that local colleges have much greater autonomy, and a much greater ability to meet the needs of local communities and respond to the needs of businesses in their area.

The hon. Gentleman also referred to the role of the learning and skills councils, and commented on their funding. It was certainly the Conservative party's policy at the last general election to replace them with a simpler and more streamlined form of funding to free up some of the resources that they currently consume and to use them to improve access to skills education and training.

Before moving on to the main body of my remarks, I want to comment on the theme enunciated by my right hon. Friend the Member for North-West Hampshire (Sir George Young). He talked particularly about how the funding changes will affect provision for people with special educational needs and learning disabilities. I spent a great deal of time before the general election talking to head teachers of special schools. One concern that they raised was how their achievement with children with learning difficulties would be maintained if there was not suitable provision post 16 or post 19. If we are to maintain the excellent work that those schools have done, we must ensure that there is proper provision elsewhere in the area for those young people.

The background to the problems that we face in adult education has been well rehearsed. The Government have set the priorities for the further education sector through directions to the Learning and Skills Council, and the Minister, in response to my hon. Friend the Member for Eddisbury (Mr. O'Brien) at Education questions on Thursday, set out the funding priorities.

[Mr. Mark Hoban]

One key area of Government focus is the need to improve basic skills—literacy and numeracy. I know from talking to principals of further education colleges that many young people with whom they are working to improve their basic skills have left school in the past three or four years. A great deal of resources have been spent in the further education sector on remedying some of the deficiencies in our school system. I hope that the introduction of qualifications relating to functional numeracy and literacy will mean that we have to spend less money on basic skills in future. As the hon. Member for Twickenham pointed out, the cost of training one full-time student in basic skills can result in 10 adult part-time learners missing out on the opportunity to increase their skills.

The commitment to providing a free level 2 course to people who need to develop that level of skills is worth while, but, as the hon. Members for Worcester (Mr. Foster) and for Brent, East highlighted, it reduces the money available in local colleges for basic skills and foundation courses, which create a pathway of progress to level 2 qualifications. Many people who return to learning, perhaps after time out of the work force looking after a family, need to gain confidence and build up their skills, and level 1 and foundation qualifications are an important way of gaining the confidence to move to a level 2 entitlement. Surely the closure of level 1 and foundation courses denies people access to level 2 courses.

The Government have ring-fenced a number of adult education courses offered by local education authorities, but those account for only one third of all the adult education that takes place. The Minister's response to my hon. Friend the Member for Eddisbury at last week's Education questions suggested to me—wrongly, I hope—that he was interested only in those courses that fitted in with the Government's priorities. His comments about Australian cake-decorating courses perhaps suggested that all adult education courses that did not fit in with the Government's priorities were really leisure courses. We need to recognise that that is not the case.

If we consider some of the courses that will be affected by the cuts, we see that not all adult education courses that could be affected by the funding problem are leisure courses. Bishop Auckland college in the north-east is looking to cut first-aid courses, health and safety courses, taster sessions and information technology courses. City college in the constituency of the hon. Member for Norwich, North (Dr. Gibson) is looking to cut non-certificated basic skills courses—courses that people value enormously. Peterborough regional college is looking to close a range of courses and a Trades Union Congress study centre. Surely that is not the intention of the Government's funding priorities. Surely it is not the impact that they hoped to achieve by changing the way in which FE sector money is focused.

It is easy to list courses that will close and talk about the number of job losses, but we need to focus on individual learners' experiences, and what they will miss out on as a consequence of the changes. There was an article in *The Daily Telegraph* last week in which Mr. Edward Broderick said that his life had been transformed by an evening class in computing—a course that may be affected by the funding crisis. It had enabled him to get to grips with literacy and numeracy, which he had been unable to do before. Mr. Broderick, a part-time student at Broxtowe college in Nottingham, said that

"working on the computer has helped my spelling and it will make my job more secure if I can use laptops like the younger ones".

So there will be a real impact on people. Colleges are working hard to rectify the problem, but, sadly, many will have to close courses. My college, Fareham college, is trying to move its adult leisure provision to the community schools so that it can protect some of the access courses that are so important if we are to get people with a higher level of skills into our work force.

The problem is the inter-reaction between the Government's priorities, which are set at a national level, the needs of local communities, and funding. The Government should consider the way in which their priorities affect local colleges and local people. If they do not re-evaluate the impact of those priorities, many people who see such courses as an opportunity to gain greater skills and learn things of value to them that will improve their lives will miss out simply because the Government have not thought through the impact at a local level.

I hope that the Minister will show that the Government have listened to what has been said about the impact on FE colleges, and will consider the way in which funding streams have worked and their effect at a local level.

12.7 pm

The Parliamentary Under-Secretary of State for Education and Skills (Phil Hope): I congratulate the hon. Member for Twickenham (Dr. Cable) on securing the debate, which has given me the opportunity to talk about the Government's commitment to adult learning, not just in Twickenham, but across the country.

As we have heard from the excellent contributions, the issue is vital because it affects people's lives and livelihoods. We have heard moving stories about individual learners, about the benefits that they have received from skills training in adult education and the difference it has made to their lives. That is why we are here—I am delighted with the turnout—because we all know the significance of this area of policy on our constituents' lives.

David Taylor: As the Minister said, there is an exceptionally high turnout. Indeed, not every Member who would have liked to speak or intervene has had the opportunity to do so. Will the Minister receive a delegation from MPs who are particularly concerned about the FE sector, such as those who have worked in it, as I have, and those who have colleges in their constituencies, as there are points to be made that we have been unable to make this morning?

Phil Hope: I was going to say that we have heard not only from MPs representing their constituents because of the value that adult education brings them, but from MPs who taught in FE colleges, such as my hon. Friends the Members for Worcester (Mr. Foster), for Norwich, North (Dr. Gibson) and for North-West Leicestershire (David Taylor)—I hope that I have got that right. There is a wealth of experience here.

Because of the concerns raised here this morning, and elsewhere, the Minister for Higher Education and Lifelong Learning and I are arranging meetings to which Members of Parliament may come to receive more detailed briefings, in which individual cases can be addressed. One such session is due this week, and one the following week, but I need to confirm the dates with my hon. Friend. Those sessions will provide opportunities to discuss individual cases as well as what we are trying to achieve generally with the changes.

We are going through a period of transition. Having been appointed to this job after the election, my first pleasant task was to celebrate national adult learners week, with which many hon. Members present were directly involved. I visited the vocational skills world championships in Helsinki and saw the talents that our younger people are displaying as a result of the support for their skills in adult education, but the media did not make a lot of fuss about it. I think that we should make a great deal of fuss about the achievements of colleges and training providers in raising the necessary skill levels of young people so that they can compete on a world platform.

Mrs. Villiers: Will the Minister explain to the group of students from the creative connections course who are in the Room—many of them have profound and complex learning difficulties and disabilities—why the teachers who have nurtured them will no longer be able to teach them because they cannot reach the numeracy and literacy targets that are the focus of the Government's spending priorities?

Mr. Jimmy Hood (in the Chair): Order. I let the hon. Lady finish her point, but I remind her that hon. Members should not refer to anyone in the Gallery.

Phil Hope: The hon. Lady is an important champion of the needs of individuals in her constituency and I am sure that I will hear from her on the subject in the coming weeks. She has already spoken in the debate about her concerns.

Lifelong learning and employability are central to our five-year strategy for young people and learners. Our two skills White Papers set out our agenda for building the skills base that this country must have if we are to maintain a competitive edge over countries such as China and India, which are investing heavily in their work forces. As a country, we need our skills strategy to succeed.

I will not apologise for the successes we have already achieved since 1997: 862,000 adults have achieved literacy, numeracy and language qualifications since 2001, a point raised by the hon. Member for Fareham (Mr. Hoban); 670,000 more adults a year now participate in further education than in 1997; and almost 18,000 employers and more than 130,000 employees have benefited from the employer training pilot, which the hon. Member for Twickenham mentioned. My remarks need to be seen in the context of the massive improvement in basic skills and in other levels, and a massive increase in participation throughout the country.

David Lepper (Brighton, Pavilion) (Lab/Co-op): Notwithstanding the very real successes that the Minister mentioned, will he take note of the anxieties expressed by Dr. Blair, director of adult and community learning, City college, Brighton and Hove? The college has a success rate over the years of widening participation among adults, but it has had to raise its fees for adult and community learning courses from £2 an hour in 2003–04 to £4 an hour this year, and to cut the length of its courses from 30 weeks to 20 weeks to maintain the level of services that it wishes to provide for the local community. It cannot go on doing so for very much longer.

Phil Hope: I thank my hon. Friend for his intervention. I will return later to the point about the balance between fees and other sources of income for FE colleges, but I say to my hon. Friend that City college, Brighton and Hove, had a 5 per cent. increase in funding for this year, which is well above inflation. Nine out of 10 colleges have had an increase this year, seven out of 10 above inflation and five out of 10 above 5 per cent. Although I understand the concerns that hon. Members have raised in the debate, the funding increases for this year should be seen in the context of the achievements that have been made.

To return to the point made by the hon. Member for Twickenham, a transition is taking place, but substantial extra resources are going into further education. Since 1997 there has been a 25 per cent. increase in the level of resources going into that sector.

Sarah Teather: In addition to the financial penalties that the college in my constituency faces because it over-performs against Government targets on level 2 and basic skills, it also suffers from the Learning and Skills Council's rationalisation of the area uplift. The Minister mentioned that he might be willing to meet delegations of MPs to discuss particular constituency issues. Is he willing to meet me and the principal of my local college to discuss those two issues?

Phil Hope: I want to make clear what I said earlier about meeting Members of Parliament. My colleague the Minister of State and I are arranging for sessions in the House for Members to come and see us, to talk about and to understand the concerns that they will be hearing about from their various training providers and FE colleges. That is the opportunity for the hon. Lady to make her point.

The hon. Lady's college, the North West London, has received an 8 per cent. increase in funding this year. Although I fully understand her concerns, I point out that an 8 per cent. increase is substantially above inflation. I understand the concerns about the transition from one funding priority to another—I will come on to that in a second—but I would like to point out that that funding increase is not insignificant.

David Taylor: My hon. Friend is rightly spending a great deal of time looking forward to how the sector can address the needs of the economy over the next 10 years. Is it not the case that more than two thirds of the vacancies that will be filled in that period will be filled by adults, not by new entrants to the work force? Of the 2015 work force, 80 per cent. will have already left school. Is it not important to get the balance right?

Phil Hope: Yes. The big concern is to make sure that young people coming into our work force do not lack basic skills or the ability to get and sustain good jobs. One of the major reasons for prioritising 16 to 18-year-olds is the need to ensure that our problem of a lack of skills in the work force, and particularly of basic skills, is not worsened by more young people joining the work force without those skills. One of the core reasons for the priority is spelled out in our skills White Paper: it is to avoid the problem with adult skills, despite the successes that I described earlier, becoming worse.

The reasons for the adult skills priorities being basic skills, or skills for life, is to ensure that people have the fundamental skills that get them back into work and enable them to contribute actively as members of the community. Of course the level 2 skills, that is to say the equivalent of five good GCSEs, is the launch pad for an individual. To be honest, it is a failure of this and previous Governments that we have so many adults in the work force who do not have the equivalent of a level 2 qualification. We have to take action now. That is what these priorities are about, to ensure that we deal with that problem and raise the skill levels of our work force.

Vera Baird (Redcar) (Lab): My hon. Friend referred to a number of colleges whose funding is being increased. I wonder if he has the figures for Redcar and Cleveland. That college also over-performs on level 2 skills and suffers penalties, but in an area of high deprivation it offers a wide range of courses, including what I hope he will turn to presently: first-rung courses, which are about widening participation, imperative in an area such as mine. That college, I understand, is going to suffer cuts. Perhaps my hon. Friend can help me explain to the principal why that is to happen.

Phil Hope: In fact, that college will experience not an overall cut, but a 2 per cent. increase in its overall budget this year. The question is going to be about the balance of provision and where public funds or taxpayers' money should be directed as we make the transition that we are undergoing. Local negotiation about those priorities with the funding body, the Learning and Skills Council, will ensure that that transition is managed as successfully as possible.

David Lepper: Will the Minister give way?

Phil Hope: I want to make just a little more progress, if I may, so that we can address some of the points that hon. Members have raised.

We need to give people the skills that employers want now. We need to give them the capacity to acquire the skills that they will need in the future. That means winning their commitment to learning and their confidence in the institutions that deliver it. Colleges and other providers have a key role to play in promoting learning—not just in marketing their own opportunities, but in selling the personal, social and wider health benefits of learning on which other hon. Members have remarked.

We want to ensure that learning is available and accessible to everyone, of all ages and backgrounds. All adults should have the opportunity to develop a foundation of basic skills and work skills to enable them to become more employable and more adaptable to the rapidly changing needs of the workplace. Many people in low-skilled, low-paid jobs have had bad learning experiences, and we want to help them to overcome that.

We need people who never thought learning was for them to become involved in learning. We need to motivate and support them—to help them to overcome their fears and lack of confidence. Of course, as hon. Members have remarked, we want to show individuals the pleasures of learning for its own sake, for personal fulfilment—indeed, for fun—without necessarily leading to a hard-edged target; we want them to know about learning not just by themselves but as parents, grandparents, carers and part of a community.

Importantly, we must be better at meeting the needs of employers. That point was made by the hon. Member for Fareham. That is a way of helping them to improve their productivity and competitiveness in a global economy. Employers need us to be more responsive and, to succeed in that, we must build strong and sustainable relationships between our policies and programmes in learning and skills and our industries and employers. The hon. Gentleman said that his party would abolish learning and skills councils. I remind him that local skills boards include employers who play an important role, ensuring that, as has emerged in many of this morning's speeches, the local dimension and local priorities are reflected in funding and courses provided locally to meet employers' needs.

In addition to that relationship we are establishing sector skills agreements in the 25 sector skills areas. The aim is to develop credible planning, funding and delivery models for what is needed in relation to the sector skills that we have identified. Of course, the national employer training programme, which the hon. Member for Twickenham mentioned, supports employers with a system of training needs and assessment and learning delivery that meets business needs. It is crucial. The new skills academies are a key element of our new skills supply infrastructure, attracting significant interest and investment from employers.

There are some challenging goals for us. We are determined that every young man and woman will be able to reach the age of 19 ready for skilled employment or higher education. We want to increase by 75 per cent. between 2002–03 and 2007–08 the numbers of people who successfully complete apprenticeships. We need every adult, wherever possible, to gain literacy, numeracy and language skills and the skills that they need for continued and successful employment. That is a crucial part of what we must achieve. We have set ourselves a deadline: by 2010 we want 2.25 million adults to achieve competence in literacy and numeracy. We want 3 million adults to achieve a first full level 2 qualification.

The hon. Gentleman raised questions about the rationale for the level 2 commitment. It is our belief, and research has shown, that level 2 qualifications are the platform from which a person can gain a better job and more skills. That is why we want to remove barriers that adults face in trying to achieve such qualifications, and it is the reason for the level 2 entitlement. That is important because the market does not provide low-skilled adults with the training needed to achieve that

level 2 qualification. That is why we need to put public money into it. If the market would solve the problem for us, there would be no need to put in public money.

We know that the training in question brings productivity gains for the employer, as well as providing opportunities for individuals, who become less likely to be unemployed, low paid or unable to get work. They become more likely to be offered training. The hon. Gentleman mentioned level 3, and I remind him that two pilots are currently operating, with additional Government funding, and are investigating providing level 3 training for employers. The hon. Gentleman rightly pointed out that in some industries it is not level 2 but level 3 training that is needed; priorities vary between sectors and areas. We look forward to the results of the pilots.

Importantly, we need, with respect to adult education, to change attitudes towards an ageing society and perceptions of what that means, and to stimulate innovative ideas and technologies to transform older people's lives—a point made by the hon. Member for Chipping Barnet (Mrs. Villiers). As the population ages, older people will make an increasingly important contribution to the country's economic success. Employers will have a major role to play in enabling society to adjust effectively to a new balance of life. We have undertaken to safeguard a wide range of learning provision for personal and community development. However, that will need to keep evolving so that it continues to meet changing learner and community demands.

On funding, which has been a major topic this morning, our biggest challenge is to fund learner demand. As I have said, we are investing more than ever before in post-16 learning, and the figure for 2005–06 is £10 billion. That is a highly significant sum, which, I might add, includes significant capital investment in FE. I was in Highbury college, in Portsmouth, opening a fantastic new centre, which offers a wide range of skills, including construction skills. I was also in Northamptonshire to cut the sod for a new building because an FE college there is being rebuilt. So there is substantial capital as well as revenue investment, and, in 2008, it will increase to £350 million.

We are putting more money in, but resources are finite. Sometimes, difficult choices and decisions have to be made. It is only right that we should prioritise, so I make no apologies for doing what we are doing in making priorities. We cannot meet the demand for all learning, which is almost infinite, but it is right that the Government have responsibility for providing high-quality initial education and training for young people, which means a place in school or college or an apprenticeship for every young person.

It is also right that we make a major investment in adult learning, particularly for those in greatest need, so that public funding will focus on those adults without a sound foundation in skills, including basic skills. As we know, basic skills are not enough to sustain employability, which is why we are extending the entitlement to free tuition for a first full qualification at level 2.

Mr. John Grogan (Selby) (Lab): I accept what the Minister says, but does he accept that there was a sense of disappointment and frustration that the 7.6 per cent. increase that the Secretary of State promised in the letter to the Learning and Skills Council in November was not delivered? That increase would have helped to achieve some of the priorities that the Minister mentioned. Does he accept that there is a real expectation on him to deliver an enhanced settlement for next year; otherwise, we shall have many more stories of cuts in the years ahead?

Phil Hope: I am grateful to my hon. Friend for having the confidence in me to deliver that and I shall do my best to respond positively in whatever way I can.

Although the Government are clear about the priorities—and I have emphasised them—we do not accept that other adult education courses have to close. We do not want to lose courses that people value and enjoy, which means that providers will need to change their approach to income from fees. We have debated fees this morning. Colleges currently choose to waive more than £100 million in fees at their own discretion so that they can offer free or reduced-cost provision. That may help to raise participation, but a decision not to collect potential income must, in time, inevitably impact on quality and financial stability. We believe that there is a strong case for those fees to be collected.

Hon. Members have raised many detailed points.

Vera Baird: Will the Minister give way?

Phil Hope: I have given way to my hon. and learned Friend already, and we have only two minutes left, so I hope that she will forgive me if I do not.

As the hon. Member for Twickenham mentioned, allocations of learner support funds are being made by local LSCs, in discussion with colleges. There is a learner support budget of £143 million, which includes £61 million for FE colleges and £31.5 million for child care facilities for 19-plus learners. I offer the hon. Gentleman those figures.

The right hon. Member for North-West Hampshire (Sir George Young) asked about Cricklade college, which I understand has had a 9 per cent. increase overall. I understand his concern about courses for learners with learning difficulties or disabilities, which was another point raised by my hon. and learned Friend the Member for Redcar (Vera Baird). A review is under way at the moment and it includes representatives from a wide range of groups. That is a priority area, but we recognise that there are pressures on the growing budget. We shall look at Peter Little's review and work with other Departments to secure appropriate provision.

I have run out of time. I regret that I have not been able to answer all the points raised this morning. This has been an excellent debate. We face tremendous challenges, but the rewards are great.

Gillian Curran

12.30 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I am extremely grateful for the opportunity to hold this debate on careless driving and the case of Gillian Curran. I stress from the outset that I genuinely wish that there was no need for such a debate. However, I regret to say that the law as it stands is wholly inadequate in relation to the matters that I intend to raise.

In the course of my speech, I shall describe in some detail a tragedy of the utmost gravity for a family in my constituency. On 15 December 2003, one of my constituents, Gillian Curran, aged 24, from Coatbridge, was travelling home from work and, while in her stationary car at the end of a tailback, was hit from behind by another vehicle. Gillian suffered head injuries and was trapped in her car for 45 minutes after the crash. She died later in hospital.

From that moment, the lives of Gillian's loving parents, Patrick and Sandra, and her devoted sister, Nicola, have immeasurably changed for ever. Without warning, they lost a beautiful, bright, good-humoured and delightful daughter and sister, who had everything to live for. Everyone who knew Gillian would readily agree that she possessed a tremendous warmth coupled with an immense spirit of vitality for life. A young life—Gillian's life—was cut short far too soon.

How do we begin to appreciate the despair, devastation and depression that that family have suffered since the tragedy of Gillian's death? How Parliament recognises the life of Gillian Curran will be tested in my representations.

There was a continuous outpouring of grief from the entire community of Kirkwood, where Gillian lived and was brought up. Indeed, one family felt so strongly about the lack of justice that they took the time to write to the *Glasgow Evening Times*. Mr. and Mrs. Paul McLaughlan said in their letter:

"Following the tragic death of Gillian Curran, my family and I feel that the law on careless driving should be changed. The courts treat careless driving as a minor offence. It is no minor offence if through careless driving an innocent person loses their life. We think a new law, with much stiffer sentences, should be introduced to cover death by careless driving. In fact we're amazed such a law does not already exist."

They concluded their letter by saying:

"A six-month ban and a £500 fine is hardly a suitable sanction when a young woman has lost her life."

That reaction encapsulated the depth of feeling that was evident throughout the community. Parliament cannot ignore such strong feelings of injustice among people who have no axe to grind other than to see justice done.

As hon. Members will recall, Mr. and Mrs. Curran and Nicola requested that I present a petition—containing no fewer than 11,000 signatures—on the Floor of the House, calling for a change in the law.

Before I turn specifically to the law I want to set out the clear demands of my constituents. The aim of Gillian Curran's family is to bring pressure to bear on Parliament to take a long, hard look at the inadequate penalties being handed down to those found guilty of motoring offences, and particularly of careless driving that results in death. The family firmly believe that if drivers knew that there were stiffer punishments for various driving offences, they would think twice before taking risks. At present, there is no offence between that of driving without due care and attention and that of causing death by dangerous driving. I therefore believe that we need a charge of causing death by careless driving, or something similar. I will develop that theme later.

I want also to discuss the law, but it would be remiss of me not to pay tribute to Isabel Brydie and Margaret Dekker, who are leading figures of the campaign in Scotland called SCID—the Scottish campaign against irresponsible drivers. Both Isabel and Margaret have lost members of their family in circumstances similar to those of Patrick and Sandra Curran. I know that Mr. and Mrs. Curran would like me to put on record their thanks to that organisation, which has been a tremendous source of considerable strength, support and advice throughout their horrendous ordeal.

There is no doubt that the driver of the vehicle that careered into Gillian's car was travelling at speed. The case was heard at Hamilton sheriff courts. Paul Kearney, prosecuting, said:

"Police officers who examined the scene found the accused would have had a clear view of the stationary cars from 400 metres away from the point of the collision . . . The evidence suggests the accused failed to pay proper attention to the road . . . Expert officers who investigated the crash were not able to establish the speed of the accused's car, but there was no evidence to suggest any braking."

Speeding is a massive problem throughout the United Kingdom. It is not just inconsiderate driving; it contributes to the 36,000 serious injuries and 3,000 deaths that occur on Britain's roads each year. More than two thirds of all accidents in which people are killed or seriously injured happen on roads where the speed limit is 40 mph or less. The Department for Transport's "Road Casualties: Great Britain 2003 Annual Report", published in September 2004, made the following points. In 49 per cent. of fatal accidents—nearly half of them—either excessive speed or careless, thoughtless, reckless behaviour was a contributory factor. Excessive speed was the most frequently cited contributory factor to fatal accidents, recorded in 28 per cent. of such accidents between 1999 and 2002. Careless, thoughtless, reckless behaviour was the next most common contributory factor, accounting for a further 21 per cent. of fatal accidents.

I am not alone in dealing with the problem. Other hon. Members have dealt with the distressing questions posed by grieving constituents, especially after the driver responsible for the accident has been charged with only a minor traffic offence. They believe that the penalty often seems totally inappropriate in relation to the seriousness of the accident. In fact, it has led to MPs being concerned about the adequacy of road traffic law, or the application of it in dealing with those responsible for fatal road accidents.

In February 2005, the Home Office published a consultation document on the review of road traffic offences involving bad driving. That document put forward proposals for consultation aimed at closing the perceived justice gap between the two main bad driving offences of dangerous driving and careless driving. There are several concerns about the current system of

traffic offences, many of which were outlined in the sixteenth report of the Select Committee on Transport in October 2004. It drew attention to the difference between dangerous and careless driving charges being often unclear. It also pointed out that there is a large gap in the range of penalties for those facing charges of dangerous driving and careless driving.

Most particularly, the report drew attention to the fact that there is no separate charge for causing death or injury by careless driving, which is my main focus in this debate. Ever more traffic offenders are being charged with careless rather than dangerous driving; the category thus now comprises driving errors that range from "slightly inattentive" to "grossly negligent". There is a belief that road casualties are the result of unfortunate accidents rather than the grave consequence of driving irresponsibly.

The Department for Transport's postal survey of magistrates, police officers, prosecutors, procurators fiscal and crown court judges suggests dissatisfaction with the current system of prosecution for serious driving crimes, yet those are very people who deal with such issues every day. A majority of respondents felt that sometimes drivers are charged with careless driving when they should be charged with dangerous driving. Many respondents believe that in cases of dangerous driving or causing death by dangerous driving, magistrates and juries can become swayed in favour of either defendants or victims. The respondents thought that such sympathy often resulted in not-guilty verdicts or careless driving convictions in cases that appeared to involve clear-cut dangerous driving violations.

In another survey conducted by the Department for Transport on drivers convicted of dangerous or careless driving, respondents were asked what they thought of driving offences and penalties. In cases when careless driving convictions were made, only 20 per cent. of victims and victims' families thought that justice had been served. I cannot stress too strongly that Gillian Curran's family falls into the same category as the overwhelming majority of victims' families who believe that justice has not been served in such cases.

Almost 50 per cent. of victims in cases in which the conviction was for careless driving believe that the gap in penalties between dangerous and careless driving is too great. The Transport Committee recommended that a new offence be adopted: causing death or injury by negligent driving. The scope and penalties of that new offence would fall between the existing offences of driving without due care and attention and dangerous driving.

We all seek to bridge the gap in penalties between careless driving and dangerous driving. Such a response would be welcomed by my constituents. In my view, the new offence or something close to it would better deter poor driving by asserting to the public that drivers will be held fully accountable for the outcome of their actions. I therefore welcome the opportunity to hear from my hon. Friend the Minister, who I am sure will outline the Department's position. It is vital that drivers are left in no doubt about their responsibility. Put simply, they need to know that whatever they do or fail to do while driving can have a fatal impact on others.

Nothing I can say today will bring Gillian Curran back. But I owe it to Gillian, to her parents Patrick and Sandra and to Nicola to try to ensure that no other family should suffer in the way that they are still suffering. I can achieve that only if Parliament accepts the justice of the case that I have advanced for changing the law. I trust that Parliament will do so; it will go some way to recognising Gillian Curran—a beautiful life, tragically cut short.

12.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): I start by thanking my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) for securing the debate. It is a subject that he has been seeking to raise for a long time, and his powerful articulation of the victim's case has been an important way of giving a voice to the injustice that he described.

The issue of road-traffic legislation and the penalties that it should provide has aroused much debate. It has the potential to affect most of us, as a victim or a driver, and, in victims, I include families who are bereaved by bad driving, because they are victimised by their experience in exactly the way that my right hon. Friend has described. I was very sorry to hear of the case of Gillian Curran. I send my sympathy to her family and friends, and I praise their tireless campaign to use this devastating experience so that we can learn from it in terms of our legislation. They have campaigned to have the law changed on careless driving to allow the consequences of such behaviour to be reflected in an appropriate charge and penalty.

The terrible loss suffered by the Curran family has been compounded by their feelings that the justice system has failed them. One aim of the criminal justice system must be to ensure that victims of crime see that justice is done, which is why we need to consider closely whether the law is adequate. What have we done so far? The Government are committed to tackling the issue of those who are killed on the roads, and we have already made substantial progress. We have made significant advances in recent years in reducing deaths and injuries arising from road traffic incidents, but nevertheless 10 road users are killed every day and 35,000 people are killed or injured as a result of bad driving every year. We are determined that road safety and further reductions in the numbers of collisions, injuries and deaths should remain a high priority.

The problem needs to be tackled on several fronts—through education, to ensure that drivers are adequately trained and to make the public aware of the risks; through engineering, to ensure that vehicles and roads are well designed and have adequate signage and warnings; and through enforcement, to ensure that penalties for breaches are adequate and that breaches themselves are detected and investigated. It is clear that, on top of that, the criminal law must play its part in improving the safety of our roads.

My right hon. Friend called for a long hard look at how the law works for road safety and how the criminal offences operate. In many ways, he has had that long hard look through the review of road traffic offences involving bad driving, which the Government have consulted on. During that consultation, I received many letters from people who have lost loved ones due to careless driving.

Dangerous driving is rightly considered a serious crime, and we have already increased the maximum penalty for causing death by dangerous driving or

[Fiona Mactaggart]

causing death by careless driving while under the influence of alcohol or drugs to 14 years' imprisonment. However, many people, including my right hon. Friend, have argued that where the standard of driving is not categorised as dangerous but is none the less careless and results in a death, the law is inadequate.

Careless driving is currently punishable by a maximum fine of £2,500 or, where the offence occurred on or after 4 April, a non-custodial penalty. That is because careless driving can apply to minor errors and there is no requirement for a driver to intend to harm, or even be reckless as to the harm that might result. However, even minor errors can have disastrous results.

Some say that the consequences of the behaviour are not relevant, as only the standard of driving must be assessed, not the tragic results. There is some truth in that. It is certainly true that the standard of driving must be the most important factor in judging culpability. However, that is not the whole truth. The Government are committed to ensuring that we strike a balance between the level of criminal fault on the part of the careless driver and the devastation that such behaviour can cause. Drivers have a responsibility to other road users, and we must consider that when striking the balance.

In 2003, the then Home Secretary, my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) announced a review of the existing framework of criminal law, particularly when death or injury results from bad driving. The review was directed by a steering group, which included road safety organisations and Margaret Dekker, to whom my right hon. Friend the Member for Coatbridge, Chryston and Bellshill referred. The Scottish campaign against irresponsible drivers, which Margaret Dekker chaired, has been closely involved in the preparation of the proposals contained in the "Review of Road Traffic Offences involving Bad Driving" consultation paper.

The paper included a proposal that should help to address the concerns of Gillian's family and all those who have lost loved ones as a result of bad driving. The proposal was to create a new offence—exactly as my right hon. Friend called for—of causing death by careless driving, and we propose a maximum penalty of five years' imprisonment for that offence. That would make available a custodial sentence where the circumstances of the case suggested that that was appropriate.

My right hon. Friend also mentioned speeding, which is a contributory factor in road traffic incidents. Speeding could be charged either as dangerous or careless driving depending on the facts of the case, and it would be an appropriate factor to take into account if someone were charged under the new offence.

There are other proposals in the consultation paper that the Government believe would help to create an effective framework of offences to deal with bad driving and create safer roads for everyone. They include a new offence of causing death by driving while disqualified or unlicensed, which was based on the argument that those who decide to take a car on the road illegally put road users at risk through their irresponsible and unlawful behaviour, regardless of their standard of driving. The Government believe that such drivers should be held culpable for the fatal consequences of their decision to drive illegally, and we invited views on that in the consultation.

My right hon. Friend also mentioned that the difference between dangerous and careless driving can be unclear. That is true to some extent because dangerous driving is defined in statute as driving that falls "far below" the standards expected of a competent and careful driver. It is widely accepted in case law that careless driving incorporates driving that falls "below", although not necessarily "far below", the standards expected, but that is not set out in statute. The consultation paper proposed that it should be, but it is true that the distinction between careless and dangerous driving is at times difficult to make. The issue was explored during the review and it was considered whether the offences of careless and dangerous driving should be replaced. It was concluded that they should not. I will not go into the full reasons here, but they are set out in the paper and copies are available in the Library.

I listened carefully to what my right hon. Friend had to say. His major concern was to ensure that actions have appropriate consequences, and the proposals put forward in the review do precisely that. The consultation period for the review ended on 6 May. We had a large number of responses from a wide variety of organisations and individuals from road safety organisations, the legal profession and the police to the families of those who have died as a result of road traffic incidents, local councils and organisations representing people with disabilities.

We have received several petitions, in addition to the one mentioned by my right hon. Friend and we are in the process of analysing the responses received. A summary of the consultation exercise and the next steps will be published in due course. I hope that they can be turned into legislation in a timely fashion, because I recognise that families such as the Currans feel that they cannot wait and that in order for justice to be done they need speedy action. I hope that we may make progress on the matter.

Mr. Tom Clarke: I am grateful for my hon. Friend's measured response, but I must push the point. Everyone I have spoken to who is involved in taking decisions on these matters feels that the current law is not adequate, so I plead with the Government to change it.

Fiona Mactaggart: I agree with my right hon. Friend. The review should provide us with the basis for creating an offence of causing death by careless driving. How we deliver that offence is something we need to look at carefully. We need to consider what appropriate legislative vehicle might exist and to take properly into account all the responses to the review; it would be inappropriate not to do so.

I am not only the Minister who is responsible for criminal law; I am also the Minister responsible for victims such as the Curran family. In order to deliver justice to them, the Government need to ensure that the courts can take consequences into account when sentencing. That is the most important demand. We must ensure that victims and their families feel that

justice has been served and that road users are aware that they have a duty of care to others and that the criminal law will be used to enforce those standards.

I know that nothing can bring Gillian back to her family, and that nothing will heal the pain that they feel, but I believe that if the review of offences involving bad driving leads to an appropriate sentence for people who cause death through careless driving it may go some way towards assuring families that, although the consequences of causing death through careless driving were not felt in this case, they will be felt by other careless drivers who cause death. I share that ambition with my right hon. Friend.

I spend a lot of time talking to victims groups. Many of them tell me that they do not want the anger, depression and loss that they feel to have been wholly wasted. They want what they have learned through their devastating experiences to be used to make the law more sensitive to their needs. I hope that we will be able to do that in future.

Rural Transport Links (Norfolk)

12.59 pm

Mr. Christopher Fraser (South-West Norfolk) (Con): I know that some of the issues that I want to raise were discussed in the Chamber earlier this year in the debate secured by my hon. Friend the Member for Mid-Norfolk (Mr. Simpson). Time has passed since, but questions still need to be answered. As a new Member in Norfolk, it has become apparent to me that Norfolk gets a bad deal under the Government's financial commitment to our old, worn out and disparate transport infrastructure.

I should like to address roads, public transportation and the Government's road pricing consultation. The following quotations describe the problems with rural transport in areas such as Norfolk. The Highways Agency has said:

"Rural residents travel, on average, over 40 per cent. further than urban residents each week . . . because facilities and services are likely to be further away."

The National Farmers Union said recently:

"Evidence from Citizens Advice shows that poor transport in the countryside in Britain makes it difficult for people to access job opportunities and meet other commitments".

It has been said:

"Life for young people in the countryside is characterised by a lack of public services and facilities close at hand".

The Government note:

"The remoteness of many rural communities means that transport is a vital issue for those living in the countryside. For those without a car good quality public transport is essential for access to everyday services—employment, education, healthcare. It is also important for the viability of rural businesses. The issues that affect individuals and families whether urban or rural are the same—education, jobs, transport, a home and secure future. But the challenges are different and so must be the solutions."

The Government speak of

"finding innovative ways to tackle the challenges of rural transport. It is supporting new and improved bus services, making grants available for local solutions to local transport problems and supporting the development of community and voluntary transport. Urban areas and market towns play a vital role in providing essential services and employment opportunities for rural communities."

They mention ensuring that

"transport in rural areas is responsive to people's real needs, flexible, well marketed, well integrated, stable and reliable."

The RAC Foundation, the well respected voice of the motorist, said recently that the whole A47, from Peterborough to Great Yarmouth,

"should be brought up to dual carriageway . . . with grade separated junctions",

reflecting its key status in linking the midlands and the north with East Anglia and its ports of Great Yarmouth and Lowestoft.

The Highways Agency announced in December 2004 that three important schemes to improve road access to Norfolk—the A47 Blofield to North Burlingham dualling, the A11 Attleborough bypass and the A11 Fiveways to Thetford dualling—were being downgraded from national importance to regional schemes. All three schemes were originally scheduled for completion by the end of 2008, but will now be

"progressed subject to regional priorities"

and considered by the regional transport board.

[Mr. Christopher Fraser]

The A11 trunk road, which runs between Norwich and junction 9 of the M11, forms part of the core national route linking London, Cambridge and the northern part of East Anglia. The road carries a substantial volume of traffic throughout the year, particularly during the summer months, owing to traffic heading for the holiday areas of Norfolk.

At all times of the year the route carries a high proportion of commercial heavy goods vehicles. As has been said here before, Norwich is the only city in England and Wales that is not accessed by a dual carriageway. Following the downgrading of the schemes on 8 December last year, on 23 December the Government made a U-turn by announcing in a letter to the right hon. Member for Norwich, South (Mr. Clarke) that the A11 Attleborough scheme would be included in the programme for 2007. There was no mention of the other schemes.

Will the Minister explain how the dualling of the A1 section of the A11 can be a matter of national importance, whereas the dualling of another section of the same road is merely a matter to be decided subject to regional priorities? What can she say about the establishment and remit of the regional transport boards? Does she accept that there is a complete lack of strategic understanding of the importance of the road network in Norfolk? How does she expect the economy in Norfolk to prosper if it does not have adequate road links to the rest of the country? Will she explain how 72,600 homes can be built in Norfolk by 2021 if the necessary road infrastructure is not in place? Has she made any assessment of the numbers of lives lost and of the serious injuries that could be prevented by the improvements to the A11 and A47?

Mr. Keith Simpson (Mid-Norfolk) (Con): Before my hon. Friend leaves that point, may I briefly intervene and congratulate him on achieving this important debate? I wish to re-emphasise the importance of getting a decision about when the regional transport boards will be established. Large parts of the A47 go through my constituency and I am afraid to say that trust in the Highways Agency and in the Minister has been seriously undermined by what happened just before Christmas.

Mr. Fraser: I concur with my hon. Friend that it is not just words but action—positive action is what we need in Norfolk.

In September 2003 the Countryside Agency, the Citizens Advice Bureaux and Transport 2000 published a report, "Rural Transport Futures", which found that

"public transport and opportunities for walking and cycling are largely poor and disjointed, with no one in overall control of how different transport threads come together in a particular area. People see little alternative to owning a car, but traffic congestion is rapidly becoming a problem."

The report found that in rural areas 74 per cent. of all journeys were made by cars, while only 4 per cent. were made by local bus or train. The report stated:

"Some people on low incomes are forced to run a car—and get into debt as a result."

The then shadow spokesman for transport, Tim Collins, said at the time that the report

"completely demolishes the supposed justification for Labour's repeated attacks on motorists, since it confirms that for millions of motorists there is no viable alternative at all."

Does the Minister recognise that for many people and for many of our constituents in Norfolk, especially the elderly or disabled in rural areas, the car is currently their only practical means of transport?

Mr. Henry Bellingham (North-West Norfolk) (Con): A number of bus companies in Norfolk are keen to expand and to provide better services but are being inhibited by a number of European directives, in particular the road transport directive and the 50 km rule. Does he agree that if the Government seriously want to expand services, they must look at the burdens that directives place on bus companies?

Mr. Fraser: Unsurprisingly, I agree entirely with my hon. Friend. It is a big issue. There are rules and regulations, but precious little action. What we need is real action for real people. I ask the Minister what assessment she has made of the lack of transport provision and of the substantial areas of social deprivation that we have in Norfolk.

In July 1998 the Government published a White Paper setting out their plans for an integrated transport policy. The White Paper plan to increase bus usage criticised Conservative deregulation of bus services. In March 1999 the Government published "From Workhorse to Thoroughbred", with more detail on how people could be attracted to use buses rather than the car. The plan promised statutory backing for quality partnerships. The Government's 10-year plan was published in July 2000, promising an extension of the rural bus subsidy grant, covering more journeys serving market towns. A 2000 analysis of the grant, produced by the Campaign for the Protection of Rural England and Transport 2000, noted:

"Although services have improved overall, there remains considerable variation between authorities in the level of service provided."

In their 10-year transport plan, the Government pledged to revive at least an hourly bus service within a 10-minute walk for a third more rural households. In fact, bus passenger numbers are falling outside London and the Government will miss the target they set in 2000 to increase bus usage.

What progress have the Government made in Norfolk in increasing the number of rural households that have an hourly bus service within a 10-minute walk? What steps is the Minister taking to extend bus provision in rural areas, especially in South-West Norfolk? Does the Minister agree that the best way to extend bus provision is through a market-driven approach? Does she have any plans to allow parish councils to provide demand-responsive bus services that meet local need, such as the "Nippy bus" service currently operating in south Somerset? The Government made great play during the election of their pledge to provide free off-peak bus travel to all pensioners. Will the Minister please explain how that will benefit my constituents who live in remote villages without a bus service?

The railways are a problem for us in East Anglia. In November 2004, the Strategic Rail Authority released a strategy document, setting out its commitment to rural railways:

"Local rail lines are vitally important for the many towns and villages they serve. Forming the core of a good public transport network, they enable residents of rural areas to access local towns, encouraging vibrant economic hubs for employment, shopping and doing business. Connections to the national network also provide convenient access to regional and national centres, important to the development of the rural economy."

On 21 November 2004, the Secretary of State for Transport unveiled the Government's community rail development strategy, which aims to increase the number of passengers using rural rail lines. The document, produced by the SRA, provides a framework for developing local and rural railways and sets out

"ways to secure the future of such lines, by increasing usage whilst reducing costs".

The Secretary of State commented at that time:

"Rural railways are important to many parts of the country. We want more people to use rural railway lines and the development of community railways is a vital part of that. The future of rural lines depends on effective partnerships between local authorities, community groups and, of course, passengers. The SRA's Community Rail Development Strategy clearly sets out how this can be achieved and the Government is extremely keen to see it implemented."

Rail services between London and Norwich and other towns in Norfolk are provided by a franchise service in East Anglia that has recently been amalgamated into One. What discussions has the Minister had with representatives of One about extending services to the people who live in Norfolk? Will she give an assessment of how she feels that that new amalgamated East Anglia franchise is operating?

The last area of concern is the current consultation by the Secretary of State for Transport on road pricing. He has outlined plans for a new "pay as you drive" system for Britain's roads, and last weekend he suggested that the scheme could be introduced within the next decade, leading to some estimates that that could mean people being charged as much as £1.30 a mile to use the busiest roads at peak times.

The Government's record on transport over the past eight years hardly inspires confidence that the scheme will be a success, or that it will not be used as yet another stealth tax. In 1997, the Deputy Prime Minister said:

"I will have failed . . . if in five years there are not many more people using public transport and far fewer journeys by car. It is a tall order but I want you to hold me to it".

Since then, car usage has increased and congestion has soared. The Government's flagship pledge in their 2000 10-year transport plan was to reduce congestion by 5 per cent. by 2010, but the 2002 review of the plan showed that congestion will actually grow thanks to their botched efforts to control it. In a 2004 review of the 10-year plan, the Government announced that they were scrapping their previous targets for congestion, admitting that they could not be met. The Secretary of State for Transport said that they would develop "better indicators" of congestion in 2005.

Petrol prices in the United Kingdom are the second highest in Europe, although the pre-tax price of fuel is among the cheapest in the European Union. Currently, 77 per cent. of the pump price of petrol is taxation. In 1996–97, the Government took £21.4 billion off motorists in vehicle excise duty and fuel duty. By 2004–05, the figure had risen to £28.3 billion—that figure comes from the Treasury Budget Red Book of 2003. Under the Government, petrol prices have risen from 59.4p per litre in 1997 to about 84p per litre today.

Of course, the Conservative party accepts the need to consider modern solutions to the problem of congestion on our roads, yet we believe that any road pricing scheme should be an alternative and fair way of raising revenue. It should not simply be a vehicle for imposing more stealth taxes on hard-working people.

Will the Minister say whether a price will be levied on every road? If not, how will we avoid rat runs through residential areas? Will local people have a say on local tariffs, and will the Government promise that there will be only one national scheme? Will higher cc cars pay higher charges? If not, how does one justify charging the same for a Mini as a Bentley? Will the Minister also give a cast-iron guarantee that the average motorist will not be worse off as a result of the measure? Will she undertake to abolish fuel excise duty once the scheme is fully operational?

Norfolk is fortunate to have a thriving tourist industry that attracts many visitors from overseas, and to have first-class Members of Parliament, who have turned up for the debate today. How will the new scheme deal with charging foreign motorists? Norfolk deserves a better deal. We need inward investment to the county to support our economic base. Without the right transport infrastructure, economic growth will be stifled, not only for large businesses but for ordinary people going about their daily lives. We pay enough tax; it is about time we got something in return.

Rural transport links are essential in Norfolk. I hope that today the Government will give the people of Norfolk a commitment that they will get a transport system that they well deserve.

1.16 pm

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): I congratulate the hon. Member for South-West Norfolk (Mr. Fraser), on securing the debate, which gives us another opportunity, as he rightly said, to discuss several issues that were discussed not long ago. I hope to address all the issues that he raised, but I may need to respond to some of his questions after the debate.

The Government recognise the particular challenges that face isolated and dispersed rural communities, which the hon. Gentleman discussed at the start of his speech. The transport responses that we need for the urban environment are very different to those needed in areas represented by hon. Gentlemen who are here today.

Where I differ with the hon. Gentleman, however—he will not be surprised to hear me say this—is on the Government's response. The Government have made considerable investment and progress through several measures, which I will outline in the next few minutes, and will continue to work appropriately with regional and local authorities to find correct ways to respond to the issues.

The hon. Gentleman criticised what he called the lack of strategy. That is a genuinely hard argument to sustain, because the Government's introduction of local

[Ms Karen Buck]

transport planning and the rolling five-year process of transport planning have provided an opportunity that simply was not there previously to make a co-ordinated and strategic response driven by a local authority's assessment of its needs. The authorities that are closest to the ground are best able to give a clear indication of particular patterns and the changing patterns of need for a service and some of the best ways of responding to that need.

I am pleased to tell the hon. Gentleman, although he probably already knows, that Norfolk county council is one of the best performing local transport authorities in the country and the best in the east of England. It was graded well above average for its progress in delivering its local transport plan last year, and has been granted centre of excellence status for its record of delivering transport schemes and projects.

The hon. Gentleman may be surprised to hear that I fundamentally disagree with his belief that Norfolk got a bad deal in transport funding. In the past five years, the Government have given Norfolk more than £54 million for its local transport budget, and the county council has used that and its own resources to develop several innovative schemes to make rural public transport more accessible.

The county council has also increased its spending on community transport in the past three years, and has developed 14 demand-responsive transport schemes, which allow rural residents to book a bus to take them to local services such as doctors' surgeries, schools and leisure centres. More than 170,000 passengers were carried under such schemes in Norfolk in 2004–05. That form of transport continues to expand not only in Norfolk but in other rural areas, and we believe that it should be developed extensively because it provides accessibility for the isolated rural communities that the hon. Gentleman describes.

Norfolk also has six community bus or car schemes, which carried more than 40,000 passengers in 2004–05. It is important that the hon. Gentleman recognises that, when we talk about bus services—which I am about to come to—such personalised community services are often an important complement and sometimes even an alternative to traditionally provided bus services.

I was pleased to hear the hon. Gentleman note that the Campaign to Protect Rural England describes services as having improved overall, although he went on to make some criticisms. London is not the only urban authority and not the only area of the country in which bus services have improved. Bus service delivery has improved in many towns and cities. I do not have the Norfolk figures at my fingertips, but if he was making the point that it was a London-only phenomenon, I assure him that it is not and that there are models of excellent practice across the country on which we need to build. If they do not include Norfolk, discussions can be had about that.

In terms of direct support for bus services, Norfolk county council has received substantial extra resources under the Government's various rural bus funding initiatives. It has consistently received high levels of funding through the rural bus subsidy grant and, for the last financial year, it received the highest allocation in the country—more than £2.4million. That increased funding demonstrates our continuing commitment to providing improved public transport in rural areas.

The services supported by the grant play an increasing part in tackling rural social exclusion and improving transport choices in rural areas. The range of services on which the grant can be used has been broadened to give a further boost to new, flexible solutions to meet local transport needs. That has allowed a number of new services to be introduced and maintained, and we understand from Norfolk county council that those have included services that supply new links to training and work opportunities as well as those catering for a variety of needs such as shopping and health care through the day.

For many of the parishes in the constituency of the hon. Member for South-West Norfolk, there has been an improvement in bus service provision since the rural bus grants were first awarded five years ago. Parishes that are still below the county council's preferred level of service are a priority for action and the extension of the rural bus grant has enabled the number of parishes that are well served to increase.

In addition, in the past five years we have funded nine separate rural bus challenge schemes in Norfolk to the tune of £2.95 million, ranging from, for example, a very small £30,000 scheme to take people to farmers' markets in Diss, to a much larger £400,000 scheme to develop with Cambridgeshire county council a new cross-boundary route and rural interchange to give Norfolk residents—some of whom live in the hon. Gentleman's constituency—access to services in Cambridgeshire as well as in Norfolk market towns.

Mr. Bellingham: I do not know whether the Minister is aware, but her predecessor agreed to meet me and a delegation from Norfolk bus companies to discuss some of those bus company issues. Is she prepared to meet me and perhaps my colleagues to discuss regulation issues in the future?

Ms Buck: My door is always open to the hon. Gentleman and his colleagues. I would be delighted to meet him and any hon. Members who wished to discuss that topic.

In addition to the two bus grants that I have described, we have recently launched a programme called Kickstart, of which the hon. Member for South-West Norfolk may be aware. It involves bus service improvements that will offer real prospects for growing bus patronage. Kickstart funding will pump-prime new services—that was an important point that the hon. Gentleman raised—or service improvements, and we have provisionally set aside a total of £20 million over the next three years for that scheme. Local authorities have been asked to bid for support for Kickstart projects this summer, and the closing date is in the next two weeks.

Mr. Fraser: Will the Minister, either now or in writing, give me a breakdown of the figures for the £20 million investment that she just referred to? As far as I can tell, arbitrary figures are being bandied about and they do not necessarily relate to local need.

Ms Buck: I assure the hon. Gentleman that I do not make figures up, but I understand his point and will aim to give him a breakdown of that information.

As time is pressing, I shall make a couple of points about the rural rail service. The hon. Gentleman is correct to say that not only buses are important in the rural areas of Norfolk. The Strategic Rail Authority last year published the community rail development strategy, which focuses on improving the financial performance, value for money and social value of local and rural railways, to ensure their long-term future.

Norfolk has two existing community rail partnerships which will benefit. The first is the Bittern line, which runs for 30 miles, connecting Norwich with the north coastal towns of Sheringham and Cromer via the Norfolk broads. The second is known as the Wherry line and comprises a number of routes linking Norwich via Acle to Great Yarmouth or Lowestoft—which I acknowledge is in Suffolk—on the east coast. Both lines can look forward to a more secure future as the strategy sets out ways in which income can grow and costs can be reduced so that subsidy can be reduced to a more affordable level. That does not mean abandoning the lines or letting them deteriorate, but it means, for example, that more appropriate maintenance regimes and standards can be applied to them where the general level of rolling stock is less damaging to the lines. Also it will enable the local communities to be much more involved in determining which services they want. We believe that the strategy is the antithesis of the policies that led to the closure of many branch and rural lines 40 years ago and that it will lead to the preservation of lines for the future.

The hon. Member for South-West Norfolk asked several questions about road links and I shall have to return to him later on a couple of those. As he said, the Highways Agency has recently dualled the stretch of the A11 between Roudham Heath and Attleborough; the work was completed in March 2003. Work is also due to start in 2006 on the Attleborough bypass.

I think that the hon. Gentleman acknowledged that the improvement scheme between Fiveways and Thetford entered the targeted programme of improvements in March 2000. We are now considering proposals to involve regional bodies, local authorities and other local stakeholders in shaping the programme of future transport improvements in the area. That emphatically does not mean that the scheme has been cancelled. However, as with all other areas of the country, we want to ensure that a proper regionally based prioritisation programme exists to make determinations. Funds will never be infinite, and changes are taking place in all relevant areas, including the growth that the hon. Gentleman mentioned. We need to ensure that our use of resources gives the best value and that we proceed with the schemes that provide the best value for money and most appropriate level of service.

The hon. Member for North-West Norfolk (Mr. Bellingham) raised the question of road safety statistics, and I shall provide him with such information as we have. It may be that the question that he asked cannot be answered in the form in which he put it, but I shall return to him on that point and on the other schemes.

I want quickly to respond to the points about road pricing that the hon. Member for South-West Norfolk raised. In line with manifesto commitments, my right hon. Friend the Secretary of State has launched a debate on the potential for moving away from the current balance of motoring taxation towards a national system of road pricing. The feasibility study on road pricing in the UK, which was published by the Department for Transport in July 2004, concluded that a scheme could reduce congestion by up to 40 per cent. and achieve benefits of up to £12 billion a year in time savings and increased reliability.

However, I hope that the hon. Gentleman will acknowledge that the study recognised—this is the most important point at the outset—a range of variants of prices and the interrelationship between road pricing and other forms of taxation. It is far too early to be specific about the details of implementation of such a scheme. It will need to be part of a debate about how to tackle road congestion.

Car use has, as the hon. Gentleman recognised, risen on the back of rising prosperity. That is true in most, probably all, developed societies. It is up to the Government to develop a long-term response to the pressures. We shall learn from, but not replicate, existing schemes such as the London congestion charge. We need to design a system that works well for road users as well as the country as a whole. Key considerations will include the need to safeguard our environmental objectives and respect privacy and the setting of prices. More detailed work is now being done.

I welcome the debate and the opportunity to reassure the hon. Member for South-West Norfolk that we intend to continue to support rural transport in his constituency, his county and, indeed, the country as a whole.

Abdominal Aortic Aneurysm Screening

1.30 pm

Dr. Howard Stoate (Dartford) (Lab): Thank you, Mr. Hood, for giving me the opportunity to raise such an important subject in this Chamber.

Those hon. Members who sat in the last Parliament will remember that, as chairman of the all-party men's health group, I hosted two events dealing with screening older men for abdominal aortic aneurysms, also known as AAAs. At our first meeting, organised for the group by the Men's Health Forum, we were briefed by a vascular surgeon who has been running a highly successful screening programme in Gloucestershire for nearly 15 years. We were also briefed by representatives of a company that provides scanning services, and by a survivor of a ruptured AAA.

At the second of those meetings, in March, men of both Houses could have a scan for an AAA, to find out for themselves how quick and simple the test is. Those at most risk of an aneurysm are older men, especially those who smoke, and those with high blood pressure or who have conditions such as angina. AAAs are rare in women and younger men.

An AAA is a bubble-type swelling in the wall of the body's main blood vessel as it passes through the abdomen. Burst AAAs kill about 6,000 men a year in the UK, mostly men aged 65 or over. AAAs are usually symptomless until they burst. In most cases, people die without knowing what happened. In a few cases, people can be lucky enough to wake up some time later in an intensive care bed.

AAAs are about four times as common in men as in women, so it is not thought cost-effective to screen women for the condition. An AAA will generally cause no pain or discomfort, and those that are picked up are usually found by happenstance in the course of treatment for other conditions—unless you happen to live in Gloucestershire.

The test for an aortic aneurysm is a simple ultrasound scan, exactly the same as is used to examine pregnant women. It is also quick; 10 people an hour can be scanned by a single professional with a portable scanner. If an aneurysm is detected before it bursts, the operation to repair the aorta has a 94 per cent. success rate. If it bursts, only 20 per cent. survive. The few who survive the major emergency operation that follows a burst aneurysm will spend a long period in a hospital intensive care unit.

The national screening committee has been looking at the case for introducing screening for AAAs. It has been considering the issue for a considerable time, and last autumn it created a new working group on the matter. I am told that it could be some time before it makes a recommendation, but thousands of men throughout the country may not have that much time.

On 15 May, Bob Carson, a youthful 63-year-old, died of an AAA. Bob was a stalwart and utterly indefatigable member of Dartford Labour party, who had delivered hundreds of thousands of leaflets for the party over the years, in all weathers and all conditions. Although others might shrink at having to deliver 2,000 leaflets on an icy January evening with snow in the air, Bob approached it with characteristic gusto and enthusiasm, and invariably came back for more when he was done. Indeed, he would be disappointed if there was nothing left for him to do and would ask why we had not had the foresight to print more.

Individuals such as Bob Carson, who work tirelessly and without complaint year in, year out for their local parties, are the lifeblood of politics in this country. Without their efforts, political parties would simply cease to exist and the political process would grind to a halt. Ironically, Bob knew all about AAAs; he knew about my work on the issue with the all-party men's health group, as he had delivered leaflets referring to my work on the subject. However, he would not have known what killed him. Probably the only sign that anything was wrong would have been what felt like a backache and possibly dizziness in the moments before he lost consciousness.

In most cases, the few men who survive a burst aneurysm have never heard of an abdominal aortic aneurysm. They have probably heard of testicular cancer, and may have read some of the press coverage about the test for prostate cancer, but it is unlikely that they will have come across anything in the media referring to AAAs. However, although testicular cancer kills about 100 men a year, AAAs kill about 6,000 a year. Indeed, some argue that the number is much higher, because many deaths caused by burst AAAs are recorded as the result of heart attacks or other conditions. Moreover, although the prostate-specific antigen, or PSA, test for prostate cancer is widely considered to be unreliable—studies show that it produces false positive and false negative results—the 14 years of screening in Gloucestershire, as reported in the *British Medical Journal* and *The Lancet*, has shown that screening for AAAs not only works but is extremely cost-effective. Testicular and prostate cancers are terrible conditions that together kill many thousands, but when compared to the scale of the problem and the effectiveness of the test, I am at a loss to explain the low profile of abdominal aortic aneurysms in the media, and even among health professionals.

Two projects in this country show that a national screening programme for AAAs would work. I have already mentioned Gloucestershire, where a screening programme has been running since 1990. The second project is the multicentre aneurysm screening study—MASS. Reported in *The Lancet*, it studied nearly 68,000 men aged 65 to 74 years. MASS gives the only internationally accepted scientific information on both the benefit and the cost of screening for AAA. The study showed a reduction in AAA deaths of 53 per cent. in those who attended screening. The figures also highlighted the difference between elective surgery, which is an operation to repair an aneurysm before it bursts, and emergency surgery, after the aneurysm has burst. A month after elective surgery, 6 per cent. of patients had died; a month after emergency surgery, 37 per cent. had died. Most whose aneurysms burst do not even make it as far as surgery.

The team behind the study concluded that there was clear evidence of a benefit from screening for abdominal aortic aneurysm. The MASS team has estimated that screening should save 2,500 lives a year. They have also considered the cost-effectiveness of screening and have calculated that the cost per life year saved would be

£8,000 by year 10 after screening and under £1,000 by year 30. In comparison, the NHS acceptable figure for cost-effectiveness is given at £36,000 per life year saved.

The team at the Gloucestershire Royal hospital has been running the screening programme since 1990 and it, too, is convinced of the merits of screening. Each year, they work with 85 GP practices and screen more than 3,000 men as they turn 65. A nurse co-ordinates a team of sonographers—the professionals who carry out the ultrasound scans—who run three or four sessions at practices each week. The process is quick, and they can check 10 men an hour. After the purchase of a computer and portable ultrasound machine, running costs are only £43,000 a year.

Jonathan Earnshaw, a vascular consultant in Gloucester, told the all-party group on men's health that 95 per cent. of men screened would be clear for life—they would not need to be checked again. A single screening test is sufficient to clear those men for life. Those with a slightly enlarged aorta are recalled annually. In more serious cases, they see a consultant every six months. About one in 100 will have an aneurysm that needs an operation to repair it.

The Gloucestershire team reported in the *British Medical Journal* that our family doctor system puts us in an ideal position to start screening nationally. Such a programme, they say, could save several thousand lives at a reasonable cost. Their figures suggest that a UK-wide programme could be operated for about £6 million a year.

The scanning session that the Men's Health Forum and the diagnosis company InHealth organised for the all-party group on men's health showed hon. Members how simple the ultrasound scan is. I am pleased to say that none of those who attended for screening showed enlarged aortas, although with reports that one in 10 men over 65 could have some degree of enlargement, we expected to send at least one or two hon. Members to visit their GP.

The Gloucestershire screening programme works within the NHS. In Dorset, the InHealth company has recently started to provide a scanning service for the strategic health authority. Although not yet a full screening programme, it checks people for vascular problems. It uses a mobile unit to visit five locations a day, taking scanners to places that are convenient for people. That model of delivery is in line with other Government initiatives that have expanded NHS provision and ensured that scanning and diagnostic capacity is improved. The InHealth group estimates that a national programme would cost between £7.5 million and £10 million. I understand that the Gloucester team's costings and those from InHealth are based on different assumptions, but they still give us an idea of the costs involved. The Gloucestershire experience shows that a full screening programme becomes viable when screening men at 65. Below that age, there are not enough cases to make general screening worth while.

Mr. Earnshaw told the all-party group on men's health that about 15 per cent. of men invited for screening did not turn up and that that group included a higher-than-average proportion of men with aneurysms. The experience of the Men's Health Forum in working with the hardest-to-reach men—who are often also the men with the highest intake of alcohol, the heaviest smokers and those who have a poor diet and take little exercise—suggests that in the longer term it may be necessary to consider how to screen men outside conventional health care settings. That could involve taking services to workplaces, including building sites and ports, to pubs and to sports venues. Services already provided in those settings have reached men who, as a GP, I rarely see. Those men can also be missed by the new walk-in centres aimed at commuters. Interestingly, the scanners are usually portable and can easily be transported, cost-effectively, to any venue chosen.

AAAs are more common in men who take little exercise and who have high cholesterol levels. Those problems were highlighted last week, during national men's health week, which I, along with the rest of the all-party group on men's health, supported. This year's men's health week focused on the key public health issue of weight and obesity, and drew attention to the need for men to take more exercise and eat more healthily, steps that would undoubtedly reduce the incidence of AAAs.

As in previous years, national men's health week run by the Men's Health Forum helps health professionals to work more effectively with men in general and particularly with less well-off men who are more likely to suffer from a range of conditions that contribute to their low life expectancy. I remind hon. Members that the difference in life expectancy in England between the highest, in east Dorset, and the lowest, in Manchester, is more than eight years. The difference in male life expectancy in the UK between east Dorset and the lowest—Glasgow—is 11 years.

However, it is not just the deprived and socially excluded who have lifestyles that can lead to being overweight and all the conditions that are linked to that. I have said before, in this very Room, that there is no obesity time bomb; it has already gone off. Already, two thirds of men are overweight or obese. If present trends continue unchecked, three quarters of the male population will be overweight by 2010.

Excess weight causes or exacerbates numerous health problems, some of which are of the greatest severity. It is clear that the current approaches are failing too many men. Men have different attitudes and behaviour from women in relation to weight; the solution to the problem must therefore lie in "male-sensitive" policies and services. For example, men are less likely to be concerned about becoming overweight than women, are more likely to fail to notice that they have gained weight, and are more likely to deny that they have a problem once they are overweight.

Two new documents from the Men's Health Forum highlight the scale of the problem and suggest solutions. The first is entitled "Hazardous Waist? Tackling the epidemic of excess weight in men." It calls for changes in underlying attitudes, investment in primary care services and a male-sensitive national strategy. It has been given greater impetus by the consensus statement on men and weight. That document was endorsed and supported by 28 major public, charitable and commercial organisations including Royal Mail, BT, the Football Association, Sport England, Age Concern, Beating Bowel Cancer, the Stroke Association and all the major national charities acting directly to address the issue of being overweight and obesity. Those 28 organisations share a desire and a commitment to halt the rise in overweight males before it is too late.

[Dr. Howard Stoate]

I hope that my hon. Friend the Minister agrees that action on men and weight will have a positive knock-on effect on the incidence of conditions such as heart disease and cancers. I also hope that she will look at the recommendations made in "Hazardous Waist? Tackling the epidemic of excess weight in men" and will take the action suggested in the consensus statement on men and weight.

The Men's Health Forum has also just published the latest in its health manuals for men, produced in the style of a car manual by Haynes, the manual publisher. This book on men and weight, called the "HGV Man Manual" is written in a way that is more male-friendly, or blokier. It will be on sale, I am told, in Halfords, but will also be distributed in some areas by charities and NHS organisations.

I am pleased that two big employers of men will be working with the Men's Health Forum. Both BT and Royal Mail have recognised how important a role weight plays in conditions such as heart disease and cancer. Action to reduce excess weight would almost certainly also reduce the risk of aneurysms.

Other professions are also known for lifestyles that could be high risk for aneurysms. In Sefton, the health promotion team has been working at Liverpool docks with lorry drivers who have a sedentary yet stressful work pattern, who have poor access to fruit and vegetables and who are often smokers. That combination of factors could lead many drivers to suffer aneurysms. Like many others, the health promotion team in Sefton took part in national men's health week this year. Its commitment to taking health improvement out into the community—one of the team won a national award for that—is an example of how more people can be helped into healthier lifestyles and reduce their chances of suffering an AAA.

Smoking is another major factor in AAAs; in fact, it is probably the single biggest risk factor. Older men are more likely than average to smoke and more likely to smoke heavily. To quit smoking is the most significant thing a person can do to avoid an aneurysm. I am pleased that we will soon have the chance to ban smoking in public places serving food. That will be a major step forward. However, I would also like to see that policy expanded to include pubs where food is not served. Those pubs are most likely to be in less well-off areas—the same areas where more people, especially older men, will be smokers.

AAA survivor Bernard Bush, who spoke to the all-party men's health group in November, was a prime candidate for an AAA. He smoked, suffered from stress and was overweight. On Boxing day 2003, he was at home with his family. He remembers being in his kitchen when a back ache came on. He woke up in hospital, where he spent the next several weeks, and found out how lucky he was. Although we do not like to think about such things at Christmas time, the quiet Christmas roads made a vital difference. His ambulance got him to hospital faster than it could have otherwise. He says that that small time saving was a crucial factor, as was the expertise at Addenbrooke's hospital.

Even men who are too young for screening could benefit. There would be an increase in awareness that could prompt a few more to quit smoking and perhaps enable men in their 50s and early 60s to recognise the symptoms if they are among the few who experience them before it is too late.

The science shows that screening men for abdominal aortic aneurysms will work. The experience in Gloucestershire and that of independent providers of screening for other conditions show how it will work. Thousands of lives could be saved each year through a straightforward procedure provided at relatively little cost. I urge the Minister to introduce a national NHS screening scheme at the earliest opportunity.

1.46 pm

The Parliamentary Under-Secretary of State for Health (Caroline Flint): I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) on raising this important issue, and welcome him back to the House of Commons. I hope that his campaign on the play park in his constituency continues. I was happy to visit his constituency during the general election campaign and know that he is fighting to keep a play park open. We believe that open spaces are important for families, both because of our fitness agenda, and because of the need to ensure that children have access to exercise.

I take this opportunity to send my condolences to Bob Carson's family and to say how much I value and recognise the support of our foot soldiers who work tirelessly for the return of Labour MPs and Labour councils for the good of society. It is a credit to Mr. Carson that my hon. Friend mentioned him today, albeit in sad circumstances.

I also pay tribute to my hon. Friend for his important work as chair of the all-party parliamentary group on men's health. It is right that we should discuss this matter just after men's health week. I look forward to supporting the launch of the "Haynes HGV Man Manual" in a few weeks. I hope that I can, in my new job as a Minister with responsibility for public health, give support and attention to an important issue.

I have already looked at some of our campaigns on smoking, and have been considering the fact that the messages that we put across about such issues need to be different for women, men, girls and boys, as our research tells us that men and women respond differently to messages. Some messages are valued more by men and others more by women. It is important to approach people differently, particularly on the health and equality agenda, not just on gender but in terms of income and deprivation, so that there is not a one-size-fits-all approach to promoting public health.

The issue of abdominal aortic aneurysms is a serious one. I could not outline better than my hon. Friend did the condition and its impact on men. I understand the stress that families go through when they lose a loved one because an aneurysm erupts. I have not yet received the advice of the UK national screening committee, but there are several officials here today who have a role in determining such issues or helping us to come to a point at which we can take decisions. I will carefully consider their advice and my hon. Friend's points, to which I have listened carefully. We hope to be in a position to take a decision based on all the evidence by the end of the year.

The UK National Screening Committee advises Ministers on all aspects of screening policy. It assesses proposed new programmes against a set of internationally

recognised criteria, which cover the condition, the test, treatment options and the effectiveness and acceptability of the screening programme. As my hon. Friend said, the multicentre aneurysm screening study, known as MASS, demonstrated that screening men aged 65 and over to detect asymptomatic aneurysms of the abdominal aorta reduced mortality from ruptured abdominal aortic aneurysms in that population group.

The NSC is currently considering whether a screening programme for AAA based on these findings should be introduced. It will also consider the results of the endovascular aneurysm repair, or EVAR, trial, which has just been published, at its meeting on 29 June. I reassure my hon. Friend that this issue is under active consideration, and that any new evidence is being actively considered. I expect to receive advice from the national screening committee by the end of this year.

My hon. Friend is aware that there is always a great deal of work to do to ensure that research proposals can be replicated across the country. We need to check that we screen the right people in the right way, that we have the services in place to deal with new cases, that we balance risks against benefits, and that the programme does more good than harm, because a second-class service just will not do. We are about to introduce a high-quality bowel cancer screening programme, which took a considerable time to arrive at. The results will be better survival rates, longer lives, and a better quality of life.

If we introduce a screening programme for AAA, the aim will be to reduce the numbers of deaths from ruptured aneurysms. As my hon. Friend said, about half the total number of deaths take place before the patient reaches hospital. Of those who do reach hospital, the mortality rate for emergency treatment is between 30 and 70 per cent. However, there would still be a risk of death with elective surgery following screening, although the mortality rate would be much lower—in the region of 4 per cent. Operations would be shorter, length of hospital stays would be reduced and less blood would be needed during surgery. At the same time, we must consider the message to the patient, which is quite difficult. My hon. Friend knows only too well the challenge of explaining uncertainties to patients in a busy GP practice.

If an aneurysm is found to have reached a certain size, the risk of rupture is such that the patient may be advised to have an elective operation. Treatment is associated with significant risk for operative death and complications. If such risks are explained thoroughly and straightforwardly, they may be acceptable to men, who are most prone to suffer ruptures. That is not an easy scenario to present to an anxious patient, but the National Screening Committee is working on proposals to recommend the best way to communicate such risks to patients who are part of the screening programme.

I should also like to thank Bernard Bush for his work with the National Screening Committee and the Men's Health Forum in this area. I have looked at the forum's website, where Bernard's experience is plainly and accessibly explained. Protocols must be established for following up detected aneurysms. Options are likely to include taking no action but remaining in the screening programme, returning at agreed intervals for further scans, or urgent referral. The options will depend on the size of the aneurysm. The national screening committee is working with vascular surgeons and other NHS colleagues to discuss how a new screening service would impact on their workload. Surgical networks need to be the right size to maximise safety and minimise adverse effects.

The resource implications for radiology and hospital services other than vascular surgery must also be studied. Overall, the service must be cost-effective. My hon. Friend made a number of pertinent points about cost, based on experience of services already being provided, and I am sure that all such evidence and information is being considered by the national screening committee.

My hon. Friend rightly mentioned public health. Stopping smoking is of particular importance in reducing death from AAA, because smoking is linked with a three to fivefold increase in the prevalence of AAA. Tackling high blood pressure, high cholesterol and obesity will help in preventing coronary heart disease, which is another risk factor. It will also help to reduce the risks of surgery. That is where the Men's Health Forum has been so helpful. I hope that my hon. Friend will reassure me that the Department works closely with the forum, which is the leading organisation in the field of men's health. The forum specialises in getting health messages across to men in a form and settings that are men-friendly. I was interested, when looking recently at some of the information on obesity, in the difference between men and women. Many women worry about being overweight when they are not, whereas many men do not worry enough about their weight. That goes back to what I said earlier about the need to understand people, where they are coming from, and how they receive different messages.

My hon. Friend may not be aware, but at least one week—maybe more—into my new job, I was asked to launch a partnership guide between the Department of Health, primary care trusts, the Football Association, the Football Foundation and others. It looked at how we could engage football and other sports in promoting public health and the options available for PCTs to work in partnership to promote good health either by getting access to space at football stadiums or other sports grounds or, more radically, by relocating certain services to some of those locations.

Listening to my hon. Friend's contribution today, I believe that there is a lot of mileage in such ideas, not exclusively with football, because football is not exclusively for men, for reaching different groups of people. I understand that there will be a number of regional roadshows to promote the partnership guide, and I am happy to give my hon. Friend some information about it, which he might find useful.

Let me conclude by making one simple point. I have a completely open mind, having arrived only recently at the Department of Health, but I want to ensure that we get the screening decision right. I expect all the necessary work to be done before I get a formal proposal, because that is important in both reaching a decision and getting on with the work if the decision is a positive one.

I am grateful to my hon. Friend, and I look forward to receiving the advice of the National Screening Committee. I hope that, while I am in this post, we will continue to have a productive relationship in discussing these important issues and how they affect men's health.

Question put and agreed to.

Adjourned accordingly at four minutes to Two o'clock.

Westminster Hall

Wednesday 22 June 2005

[FRANK COOK *in the Chair*]

Aviation (South-East)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Watts.]*

9.30 am

Mr. John Randall (Uxbridge) (Con): I am grateful to Mr. Speaker for granting me this debate on an important issue, not only for me, my constituents and neighbours, but many hon. Members—as can be seen by their attendance in the Chamber this morning. I welcome the Under-Secretary of State for Transport, the hon. Member for Regent's Park and Kensington, North (Ms Buck), to her new ministerial responsibility. I have a feeling that she will know more about aviation in the next few months than she ever dreamed possible. It is not exactly the best portfolio at this time, but I am sure that it will be challenging and a position in which she can make some brave and courageous decisions, which we shall welcome.

I want to start by talking about aviation in the south-east with particular reference to Heathrow. A couple of weeks ago, the master plan—almost a plan of the same cunning variety as that employed by Baldrick in the television series "Blackadder"—was published by the BAA and we now know more about what we suspected was the case. It allows for a third runway and a sixth terminal—a fact that was, interestingly, denied at most levels of discussion. Although I do not know too much about such matters, I believe that anyone with a degree of common sense would understand that a third runway would require a sixth terminal. The runway would not simply be an additional runway; the plans show that what amounts to another airport, of some size, will be deposited on the existing airport, so when people who do not understand the position consider matters and say that a third runway is needed, the fact that the plans show an additional airport is a great worry.

Those of us who are lucky enough to live in what was rural Middlesex in the borough of Hillingdon have lived for many years with the threat and the benefits of Heathrow and it would be unfair of me not to point out that Heathrow has brought jobs and benefits to the local economy. It has also brought disadvantages—not only pollution and congestion, which I shall discuss later, but a polarisation of our economy into one particular industry. Not long ago, just after the 9/11 outrage, various Members of Parliament from the Heathrow area had to ask the Prime Minister to consider helping the aviation industry. Just as in times past some places were devastated when, for example, coal mining was hit suddenly, a whole area could be devastated. One of my economic arguments for not increasing capacity and development at Heathrow is that we do not want all our eggs in one basket.

I return to the master plan. It suggests that, initially, at least 700 homes should be destroyed. I believe that the number will be greater than that, because anyone who knows about pollution levels will realise that many more homes, including many in my constituency in West Drayton, particularly on the Wise Lane estate, will not be habitable because they will fall under the permissible levels of habitation because of the amount of pollution.

I have paid tribute to the Minister before and I do so again now. I have listened to her talking about housing in London in this debating chamber. It does not take a great expert to work out that if at least 700 homes are destroyed, not to mention schools, while we are expecting more jobs to be created—that is the argument that is advanced—there will be an increased need for homes in an area where we already desperately need more affordable housing. Destroying those homes will only create more problems. Most of the people affected frankly do not know what to do, because they will have to move right away from the area. The irony is that the destruction is of nothing but villages; a lot of people would not realise that they are still villages, but they are.

The villages of Sipson, Harlington and Harmondsworth are in the constituency of my good friend the hon. Member for Hayes and Harlington (John McDonnell). He may not be my hon. Friend as far as party politics goes, but on this subject, as on so many others, I would describe him as an hon. Friend, because we fight together to try to ensure that our constituents are not threatened, and their lives are not ruined, by such development. He apologises to you, Mr. Cook, and to me for not being able to take part in today's debate; he would dearly love to, but unfortunately he has a long-standing engagement to open a new educational facility in his constituency. However, he has arranged a meeting with the Minister, who has very kindly agreed to meet representatives, so she will shortly hear another episode in this ongoing saga.

I mentioned the schools because last week we had a protest meeting of the villages to try to galvanise us into deciding what is the best action to take. It took place in one of the schools—in fact, in the school most immediately threatened with closure. As we sit here now, many children are happily going about their normal affairs at school, while there is the threat that their community, and even their school, will soon no longer be in existence. In today's world, that is no longer acceptable. It might have been acceptable in the era of the Stalinist dictatorships in eastern Europe, or in China, where vast Government plans meant the forced moving-out of people. But we are not in that country; we now have more human rights than ever before, and such a proposal is not acceptable.

It is also true to say that this threat goes on over generations. Unfortunately, the decision cannot be taken immediately; it is not like the structure of the Olympic bid, which will allow us to know quite soon whether we have won. This threat will hang around for years and years. There is nothing that we can do, unless the Government take a different view on expansion of aviation in the south-east. People do not know what to do. They cannot move as they cannot sell their houses for an adequate price, and they do not know where their children will be educated. From that point of view, the situation is totally unacceptable.

Many of us believe that the expansion will not be able to take place because of the increased pollution. It is already known that levels of pollution around the airport are unacceptable under EU limits. We are assured from time to time that these things are being

[Mr. John Randall]

considered and will be sorted out, so I would like to say at the start that my constituents, and those of many other hon. Members, will want to be assured, in today's rather cynical world, that the monitoring of those air quality levels will be done in a fair way that reflects what is happening. I am afraid that, over the years, I have seen traffic monitoring done on a Sunday afternoon in summer, and have then been told that not much traffic goes down that road. I am not accusing anyone of anything in particular, but we want to make sure that the monitoring of something as fundamental as the air that we breathe is done appropriately and fairly, and that the people in my constituency understand that. The same goes for noise, and I can see hon. Friends present for whom noise is also a big issue; they may be lucky enough to catch your eye later, Mr. Cook.

Mr. Peter Ainsworth (East Surrey) (Con): I do not know what the situation is at Heathrow, but around Gatwick the cost of air quality monitoring falls on local council tax payers. The cost is more than £100,000 a year to Reigate and Banstead borough council. Does my hon. Friend not think that in that case, as in all others, the polluter should pay?

Mr. Randall: My hon. Friend, who during the previous Parliament was Chairman of the influential Environmental Audit Committee—hopefully he will be again—is right. It is unfair for my constituents and council tax payers, and those of so many others, to pay to ensure that the monitoring is done appropriately.

Adam Afriyie (Windsor) (Con): Given the self-evident fact that it is the noise of an aircraft on the ground that hits the eardrums of residents, disturbs them and causes stress and lack of sleep, does my hon. Friend think that it might be sensible to recognise the actual noise of an aircraft on the ground, rather than the theoretical noise that it makes in the factories when it is being manufactured?

Mr. Randall: My hon. Friend is right. I welcome him to this campaign.

I served on the Transport Committee in the previous Parliament. Subsequent information has shown that schoolchildren's education suffers badly as a result of aircraft noise, as opposed to traffic noise. The problem affects a wide area. Unfortunately, residents from many areas, who will be badly affected, do not understand how serious the expansion and the third runway will be for the quality of their lives. It will affect a huge area, which stretches into London and outside London, as reflected by the number of my hon. Friends who are present.

Sometimes we are accused of nimbyism. We do not want this proposal, and most people understand why, but I also do not want it dumped on any other area if it is unacceptable at Heathrow.

Mr. Oliver Heald (North-East Hertfordshire) (Con): I do not think that it is a question of nimbyism; we are saying that the load should be spread more fairly around the country. Is it right that 65 per cent. of the flights go out of the south-east and that we are talking about a model that will encourage people from the north of England to travel down our clogged roads to the south-east to take their cheap holiday flights abroad? Surely, we ought to have a model in which the north of England has its own flights.

Mr. Randall: I accept that argument. The situation is unfair for the south-east and for those living away from the south-east. I will go on in a short while, although I will not go on for a long while, to point out that we must take great consideration of where aviation is going generally.

I am not here today to say that it would be better to put extra runways at Stansted or Gatwick—far from it. There should be no further expansion of aviation in the south-east until we recognise what we are doing to our atmosphere and environment, and, without getting overdramatic, to our planet.

Climate change, as we know and as the Prime Minister has acknowledged, is the most pressing environmental issue facing our world today. One of the Government's advisers said that it is more threatening than terrorism. We should all recognise that, although climate change is not as immediate, which is one of the problems; we do not see it face to face, although funnily enough increasingly on our television screens we see extremes of climate occurring. We saw the flash floods in the north—in Yorkshire—just this weekend. Although we are sometimes told that we are alarmist, I am becoming increasingly concerned about what we are doing. Most people acknowledge that climate change is happening, but Governments and citizens must take note of what they are doing themselves to cut emissions of carbon dioxide and other greenhouse gases. Aviation is undoubtedly a rapidly growing industry. It is also the fastest-growing source of climate change emissions. We have to tackle that.

I have seen a report that was produced for Friends of the Earth, but it was researched by the Tyndall Centre for Climate Change Research. A lot of hon. Members were at the presentation. We would agree that the evidence is pretty compelling. In 2050, if aviation is allowed to carry on at the present rate, in order to meet the targets that have been set we would not be able to produce any other emissions—none from our homes, and we would not be able to drive.

As the Minister will be aware, there has been talk of road charging, to cut down congestion. Interestingly, yesterday, the rail operating bodies were talking about trying to limit the number of people on trains at certain times of the day. But aviation seems to be allowed to carry on and on regardless. That is not acceptable. I am not going to say that we should suddenly impose such heavy taxes or punishment on people wanting to travel that only the rich can afford to, but we have to curb the growth. We should not be making it any cheaper.

One of the Minister's predecessors, admittedly in an interregnum between ministerial jobs, said words that he might now regret—although I do not think he does, because he is again on the Back Benches. He said that cheap air travel is not a human right. Air travel is not a human right when it not only causes untold misery for thousands of people, but is also destroying our planet.

I say to the Minister, please look at the whole issue. It is time to look at the White Paper again. We cannot go on in this way. Yes, we can destroy 700 homes

eventually. Why not? It is only 700 homes, they will go somewhere else. But it will not be the end. Only recently in the Heathrow area, when the fifth terminal went ahead, the people at BAA said, "We do not want a third runway." Months later, they want a third runway. "We do not need a sixth terminal", they said. Now there are plans for a sixth terminal. Where will it end?

Perhaps we should be honest. The borough of Hillingdon should be taken off the map and made into one vast airport. Perhaps that is the answer.

Mr. Nick Hurd (Ruislip-Northwood) (Con): My hon. Friend has made a passionate case on behalf of Hillingdon residents. As a fellow Hillingdon MP, I wholly endorse his position, but will he help me to reconcile one aspect of this debate, which is the Government's apparent support for a third runway at Heathrow? Also, the aspiration of the Ministry of Defence is that RAF Northolt, in my constituency, should become

"A 'core' site for the delivery of military outputs within Greater London,"

and that is supported by the redevelopment of the site. However, my hon. Friend may recall that in 2003, during his time on the Transport Committee, the Government's view was clear. I quote from the answer to his own written parliamentary question:

"We believe that a third runway would preclude flying activity at RAF Northolt."—[*Official Report*, 3 June 2003; Vol. 406, c. 293W.]

Does this sound like joined-up government?

Mr. Randall: I thank my hon. Friend. It is true that there are plenty more knock-on effects of a third runway. I do not think that the Government for one minute would want to lose the capacity to fly out of Northolt. After that particular question and a little publicity, the Ministry of Defence was spoken to and there was a slight reining back, but I think that that was the view.

Finally, given the number of people in this country who are increasingly aware of climate change and all the problems being caused, we ask the Government to give the matter consideration. We are a bit suspicious, because an organisation called Future Heathrow, headed by Lord Soley, is very much in favour of development at the airport. It was interesting that the Secretary of State was present at the recent launch. That sends a bad message. As I said during a debate on the Natural Environment and Rural Communities Bill, a degree of even-handedness would be a good idea; that is all that my constituents want from this Government. They want them to take this issue as seriously as it deserves.

Several hon. Members *rose—*

Frank Cook (in the Chair): Order. It will be to the benefit of the Chamber if I remind hon. Members that the convention is to start the first of the three winding-up speeches 30 minutes before the debate's conclusion. That means that Back-Bench contributions must be completed by 10.30 at the latest. Hon. Members can see how much time is now left and that Members have risen to speak; I have caught sight of four.

9.51 am

Laura Moffatt (Crawley) (Lab): I congratulate the hon. Member for Uxbridge (Mr. Randall) on raising one of the most important issues facing us in the south-east. That issue is a big contributor, both good and bad, to our quality of life.

I am the Member of Parliament for Crawley, and Gatwick airport is wholly within my constituency. However, that is not half the story; airports have an impact not only locally and nationally, but internationally. I firmly believe that, as representatives, we Members have a responsibility to ensure that we consider all such issues and take them into account when we adopt views about airport expansion, ground transport and environmental issues, and I have attempted to do that.

My history with Gatwick airport goes back a long while. I moved to Crawley as a small baby. As a child, I remember listening, in bed just a couple of miles from the airport, to screaming BAC 111 jets taking off at all hours, and I remember how our whole environment was ruined by what was, at the time, disgraceful noise. At that time, the numbers of people who went through the airport were only a fraction of what they are now. That is why I have always maintained an interest not only in our local environment, but in the airport's impact on the wider community of Crawley.

When I joined the local authority, I was placed on the Gatwick airport consultative committee to take a proper look at what was happening at Gatwick. I was looking at expansion, which, of course, has gone on for many years, and I tried to give a reasonable response to it. I remember well, in the late '80s, setting up a noise line for local residents to ring because the appalling Department for Transport line, set up by the Conservative Government of the time, often was not even functioning, so when people telephoned they could not get through to anyone. It was important that people had the right to complain.

Justine Greening (Putney) (Con): I absolutely agree that residents should have better noise monitoring and ability to report noise. In Putney, residents are asked to phone a hotline at the moment, which at 4.30 am when they are woken up by night flights generally just takes messages and is an incredibly frustrating experience for them. Does not the hon. Lady agree that they should be able to talk to a real person and should not have to be relied on to report excessive noise that should be monitored in the first place by the airports?

Laura Moffatt: I ensure that people are able to speak to a real person around Gatwick, although it might not be at 4.30 am. I have taken a particular interest in that matter in my patch. If I have a constituent who is complaining consistently, or has genuine concerns about noise, I take it upon myself to go with them into the airport, where we look together at the noise mapping and the routing of aircraft and decide whether they have a relevant and real concern and address it in that way. If there is a concern, it can go to a noise and track-keeping group at Gatwick that considers those issues. I hope that the hon. Lady finds that helpful.

As I said, my involvement at airports is not new. I have attempted, over the years, not just to take an oppositionist view, because Gatwick airport employs

[Laura Moffatt]

36,000 people, on and off. It has always been my contention that no matter how we look at expansion and other issues, we have to ask whether 36,000 people living in Crawley and the wider area would have no interest in environmental issues and no concern about the air that they and their families are breathing, just because they happen to be associated with the airport. Of course, that is not the case. In fact, on the many occasions when the local trade unionists have become involved they have been much more in favour of expansion than I. I would want only to see a close parallel runway at Gatwick if ever that were on the table—it is not—and they are keen on expansion because of the jobs. That is the important matter for them. If we disregard the views of people who live, work and achieve their quality of life through tremendous job opportunities in the south-east, we are not having a proper debate.

It is important that we bring people together. In 2002, before any of the White Papers were published, I brought together all the major stakeholders around Gatwick and had an e-consultation and a series of meetings in the town to talk to people. Of course, there were opposing views. Some were fiercely in favour of large-scale expansion at Gatwick and others were absolutely opposed to expansion. We have an active group, called the One's Enough Campaign, which wants to ensure that Gatwick remains a single-runway airport. In many ways I share their views. If we were to sit down as Members of Parliament, stakeholders and objectors in our communities, there would be much to bring us together. We all want to see airports maximised to their best ability; we do not want to see expansion for expansion's sake; and we want to ensure that we are making the best use of the runways that we have. The White Paper is clear that we should ensure that we are maximising the use of our existing airports.

Mr. Roger Gale (North Thanet) (Con): The hon. Lady has said twice that we ought to be maximising the use of our airports. Every Member of Parliament with an airport interest reflects and shares the views that have been expressed in environmental terms about noise, particularly night flying. However, does not she think it a shame that when the Secretary of State introduced the consultation document in the House, he effectively dismissed the regional airports, some of which, like Manston in Kent, are trying to develop and could make a major contribution to alleviating the pressure on the other major airports? The Secretary of State paid no attention to that at all; he dismissed it out of hand.

Laura Moffatt: I thank the hon. Gentleman for his intervention, but I do not believe that the Secretary of State dismissed it. I know of hon. Members who have been campaigning for expansion of airports such as Finningley, and it looks as though their aims and objectives will be achieved.

I understand the difficulty in and around the south-east. We have two world-class airports and, frankly, a printout of the pattern of flights over the south-east looks like knitting to me. It is perfectly obvious that we are constrained, and that there are difficulties to overcome. That does not mean to say, however, that they are insurmountable. They may preclude us from using some of the smaller airports. We have the same debate in and around Gatwick, and I know that hon. Members who represent those areas will know that Redhill aerodrome was making a real play to be one of those regional airports. In fact, that would cause enormous difficulty for the two major players.

Mr. Peter Ainsworth: Can the hon. Lady confirm that that proposal is widely regarded as utterly farcical?

Laura Moffatt: I certainly confirm that it was utterly farcical. None the less, the application was made, considered and rejected with good reason.

As to how we tackle the environmental issues, it is no good having weasel words about worrying about the environment, and saying, "Of course, all my constituents must be allowed to fly" at the same time. We have to be much more robust in our arguments about facing the benefits of airports.

I take issue with the remarks of the hon. Member for Uxbridge about employment and being what is called a one-horse town. Recently, Sussex Enterprise undertook a survey of the many businesses in and around Gatwick and the south-east. We are extremely fortunate in the range of businesses that we have, particularly in Crawley.

Mr. Randall: Will the hon. Lady give way?

Laura Moffatt: Would the hon. Gentleman mind if I finished the point?

Frank Cook (in the Chair): Order. I am somewhat concerned that some of the contributions and remarks are being addressed away from the Chair. For the occupant of the Chair to be able to see that affairs are conducted within rule and in order, the Chair has to be able to hear what is being said. Therefore, it does not help to have remarks addressed away from the Chair, or sotto voce. So please; to the Chair, through the Chair, at all times.

Laura Moffatt: Thank you, Mr. Cook. I thank the hon. Member for Uxbridge for his intervention, and would like to finish the point that I was attempting to make.

In that survey, it was very clear that companies locate in and around Gatwick because their business is related to Europe or the United States and they need access to air transport. It is obvious that what is needed is an integrated transport system that allows business to thrive. Airports therefore have a positive impact on the business community within a region, not a negative one as was felt before.

I now address some of the other difficult matters that we have to face. Environmental matters, both locally and nationally, are vital to the future of the south-east economy. We know that we are under pressure in the south-east for reasons that we understand: global warming, emissions, pollution, asthma and the ill-health of young children.

Adam Afriyie: Does the hon. Lady accept that, with the projected expansion in air travel—not only in the south-east, but throughout the country—it will be

virtually impossible to meet the 2020 and 2050 Kyoto targets for the reduction of emissions in greenhouse gases?

Laura Moffatt: I thank the hon. Gentleman for that intervention. Of course those are matters that we must face. What concerns me is that we can concentrate too much on the air industry. Although it is one of the fastest-growing greenhouse gas promoters, it is still a small percentage of the overall picture. It is fair that we tackle the whole issue, and important that we understand it.

I happen to be in favour of trying to tackle these matters now, and I firmly believe that emissions trading is one of the best ways to move forward and mitigate the effects of air pollution caused by the airline industry.

Tom Brake (Carshalton and Wallington) (LD): The hon. Lady says that she believes in tackling the matter now. What is the earliest date that an emissions trading system could be introduced?

Laura Moffatt: That question is probably best directed to the Minister, and I am hopeful that she will be able to answer it, but I have certainly been pressing for that. Fuel duty is another key matter.

Mr. Peter Ainsworth: The hon. Lady says that we need to deal with aviation as part of the overall climate change issue. Does she not understand that including aviation in the emissions trading scheme, for example, would obliterate the ability of any other industry to emit CO_2 at all?

Laura Moffatt: That is not a view that I share; nor do I believe that that is the only way that we should tackle these matters. We are, for the first time, talking about duty on aviation fuel. The aviation community and industry stakeholders are now taking seriously the question of how properly to recognise the impact of air travel. Most of us have read recent articles on that and heard the things that are now being said in the European Parliament about fuel duty. The matter has to be tackled globally, of course, but I believe that we in Europe should start to try to persuade other nations that it is the right way forward; we should be able to do that. It is not true to say that there is no fuel duty and that nothing is being done. Almost £1 billion is raised through the air passenger duty, so it would be wrong to say that no duty is in place to try to tackle the matter.

I agree with those Members who think that this is an urgent issue, but we must recognise and protect the positive aspects of our airline industry. We must not allow ourselves to get into a situation where airlines go to airports outside the United Kingdom, because I have a sneaking suspicion that if that were to happen we would all be back in this Chamber bitterly complaining about the loss of jobs in our regions, when what we should be doing is looking after the interests of our constituents—making sure that they are well employed, that they have a decent environment and that they have the quality of life that we want for them.

This matter has been of concern for some time, and many people involved in the industry congratulate the Government on tackling it now, on coming forward with plans, and on ensuring that we have the opportunity to discuss openly the whole issue of expansion. This matter was kicked into the long grass for many years before the Labour Government came to power, and we should accept that we are now making progress and are having a decent debate.

Justine Greening *rose—*

Frank Cook (in the Chair): Order. May I have clarification? Has the hon. Member for Crawley (Laura Moffatt) finished, or is this an intervention?

Laura Moffatt: It is an intervention.

Justine Greening: I thank the hon. Lady. Does she agree that last year's White Paper was fundamentally flawed? It proposed to expand Heathrow, to end mixed mode and to put in a third runway; but in its appendix it was admitted that doing so would break not only rules on CO_2 emissions but those on air quality—NO_2 emissions—on the ground, and that at the moment there was no prospect of exploring that. The White Paper was incompatible with itself, let alone with any other views that people might have.

Laura Moffatt: The White Paper outlined the fact that there is no clear path forward and there are extremely difficult environmental matters to be overcome at Heathrow. However, that does not mean that we should not discuss those matters and that they should not be addressed honestly and openly in the White Paper.

That environmental issue has left Gatwick airport in a difficult position. As Mark Froud of Sussex Enterprise says, it leaves Gatwick on the subs' bench because those matters need to be settled before Gatwick will even be considered. That is after the 2019 legal agreement, which I stand by wholeheartedly, has expired.

It is good that the Government are ensuring that we consider those matters properly and have an open discussion. That is what I suggest in all the communities. This matter is raised locally, but the debate around Gatwick is not bitter; it is honest, and people are able to talk to each other. Groups invite representatives of those who are very much in favour of airport expansion as well as those who are against. We have an open debate and ensure that all the points raised in favour of and against airport expansion are given a proper hearing. All I ask of this House is that we have an open debate, that we do not become polarised, that we do not end up in a corner saying that there will be no expansion at any cost, and that we look at the bigger picture, as well as at the important matter of our constituents. We should tackle the matter as honestly and openly as we can.

Frank Cook (in the Chair): I hope that the House will pay greater attention to my remarks than has happened so far this morning. There are 19 minutes remaining and four Members who want to speak. Members should bear that in mind not only when making their contributions, but when receiving and responding to interventions.

10.11 am

Mr. Peter Ainsworth (East Surrey) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall), who has a distinguished track record of serving his constituents and standing up for environmental issues, of which this debate is a classic example.

I shall begin by talking about a matter that affects my constituents in Horley. The Government seem to think that expanding aviation is inherently an economic good and that the economic imperative overrides other concerns. Environmental issues, however, are one of the reasons why people get concerned about airport expansion. As I mentioned earlier, Reigate and Banstead council is monitoring air quality in Horley, in parts of which levels of nitrogen dioxide are above the UK target. The council has modelled forwards and, using a business-as-usual case for the airport, has worked out that in 2010, when the EU limit is introduced, NO_2 levels in those parts of Horley will have exceeded the EU limit in each of the preceding five years. Therefore without any further expansion—with or without a second runway—there is a serious problem. NO_2 affects peoples' health. It creates smog, which is very unpleasant and can lead to painful lung conditions. We are talking about people's health as much as about the wider environmental issues that have been touched on this morning.

We all recognise that there is an economic benefit to aviation, but that must be placed in the context of its environmental impacts. As my hon. Friend the Member for Uxbridge pointed out, aviation is the fastest-growing contributor to climate change gases. In the previous Parliament I was fortunate enough to chair the Environmental Audit Committee, which produced no fewer than four reports on the impact of aviation on the environment. When that Committee gets up and running again, I have no doubt that it will return to the issue, so the Minister may look forward to many happy debates on the subject. I hope that she takes a more conciliatory view than her predecessor, whose attitude was dismissive and, as it turns out, factually incorrect, which is a serious matter.

At the end of the previous Parliament, the Committee said that there had been an irretrievable breakdown between its opinion and that of the Department for Transport and that it would return to the issue in the future. I sincerely hope that when it is up and running again, it does so. Recently—since the Committee published its reports—two significant new reports have been published. The report by the Tyndall Centre for Climate Change Research confirms the proposition that the Committee advanced, which is that if aviation is allowed to continue growing at the excessive rate that characterises its present expansion, there will be no chance of the Government meeting their overall target of reducing CO_2 emissions by 60 per cent. by 2050. The Government and the Department in particular need to understand that and work with that proposition rather than against it.

Almost at the same time as that report was issued, help came from an unlikely source. The South East England regional assembly produced an extremely comprehensive document, put together by Roger Tyms and Partners, about the impact of aviation in the south-east. The document is highly critical of the Government's position. I carry no banners for the South East England regional assembly, but it has made an extremely useful intervention in this case. It points out that the basic proposition behind the White Paper is, in terms of its impact on the south-east, completely incompatible with the Government's stated objectives on sustainable development.

The hon. Member for Crawley (Laura Moffatt) might wish to know that the report deals with the question of jobs. Its view is that jobs can be created through aviation, but that because of labour and land shortages in the south-east, the benefit in terms of employment and wealth creation of piling more aviation capacity into the region is significantly less than it would be if those jobs were created elsewhere in the United Kingdom. Those in the South East England regional assembly—bully for them—have at last come up with a decent idea that I can support wholeheartedly.

The evidence is mounting and the Department for Transport must get to grips with it; it cannot continue to deny the impact of aviation on our quality of life, on the immediate local environment and on the wider global environment. There is a danger that if we go on as we are and if the Government refuse to engage with the issue properly, aviation will come to be seen as a rogue industry irresponsibly trashing the quality of life for future generations—albeit providing some brief, sparkling pleasure in Ibiza in the short term—and the Department will be regarded as a rogue Department within Government. Many Departments are seriously engaged with sustainable development and a huge amount of work is going on through policy and departmental practice to make the way that we govern in this country compatible with the principles of sustainable development, in recognition of the fact that we all live within environmental limits.

The Department for Transport has a blind spot, particularly when it comes to aviation. It seems to have got the message on cars to some extent. The problems of cars are relatively easy to solve because of new technology and new engines—interestingly, in the air quality surveys carried out in my part of the world it is estimated that NO_2 levels will fall outside the airport environment because of improved efficiency in cars, but in the airport area itself they are predicted to rise because of aviation. I ask the Government, the Department and the new Minister to engage seriously with this issue.

It has been mentioned before but it is important to reconsider the White Paper, which I believe to be profoundly flawed. It should be parked and the Government should look again at the evidence. The White Paper was based on certain assumptions: that demand for aviation would grow at 4 per cent. a year until 2030; that the cost of travelling would fall by 1 per cent. a year until 2030; and that the price of oil would be roughly static, at about $25 a barrel. The price of oil is now $50 a barrel. The assumptions behind the White Paper are unrealistic, and it is those assumptions that have led to the Department's position, which is to predict and provide for excessive and environmentally unsustainable growth. Let us revisit those assumptions and scale down the future forecasts of aviation growth.

By all means, let us use emissions trading if it will work. However, I have grave doubts that by 2008, which is when the new emissions trading scheme is likely to be

introduced, there will be any hope of getting aviation included in the scheme. There are real difficulties, particularly since France and Germany seem to be profoundly hostile to the idea of trading and favour instead a tax system to deal with and dampen growth.

Let us consider using fiscal measures more bravely than we have before. No one—at least, no one sensible—is talking about halting aviation growth. We are talking about curbing the excessive demand on which the Government's current policies are based. No one will thank us if this generation of politicians adopts policies that are wholly incompatible with the interests of future generations and that contribute to the potentially catastrophic risk of climate change.

Frank Cook (in the Chair): Nine and a half minutes remaining; three hon. Members bidding.

10.20 am

Mr. Gerald Howarth (Aldershot) (Con): By speaking solely—and briefly—about the role of business aviation, I wish to give some hope to my hon. Friends the Members for Uxbridge (Mr. Randall) and for East Surrey (Mr. Ainsworth) and the hon. Member for Crawley (Laura Moffatt).

I represent Farnborough, which was voted Europe's No. 1 business aviation centre by the operators. Farnborough has the opportunity to provide some relief for Gatwick and Heathrow by providing business aviation services. It has authorised limits of 28,000 movements a year, which means that 28,000 movements are taken away from places such as Heathrow and Gatwick, thus spreading the burden. Moreover, it provides an extremely valuable service, because approximately 400 jet and turboprop aircraft are operated in this country—I exclude those that come in from overseas—serving businesses and international business.

I am delighted that when the Conservative party was last in power, my right hon. Friend the Member for North-West Hampshire (Sir George Young), then the Transport Minister, designated Farnborough as the business aviation centre to serve London and the south-east. Unlike Northolt, which my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) is privileged to have in his constituency, Farnborough has a runway that is capable of providing a sufficient facility to enable a Gulfstream GV to take off and travel non-stop to the west coast of the United States.

I apologise to the Minister for not being able to stay to hear her response to the debate; I have another meeting to attend. I suspect that she will say little about business aviation, but may I flag up just one point? Farnborough needs better facilities and better support from special branch and the immigration services. It is a relief airfield in the sense that it takes business that would otherwise be directed to Heathrow and Gatwick, so it is incumbent on the Government to ensure that they provide the services necessary to sustain the international operations that take place at Farnborough. Farnborough adds enormous value to the United Kingdom; the aerodrome is used by high net worth individuals and by the Heads of State of other countries because it is discreet, secure and close to London. Farnborough has enormous advantages, but it needs better services. I hope that the Minister will be able to write to me to let me know what the Government plan to do about that.

Frank Cook (in the Chair): Six and a half minutes are available before I call the Front-Bench speakers. I think that there are two hon. Members bidding.

10.23 am

Mr. Oliver Heald (North-East Hertfordshire) (Con): Thank you very much for calling me, Mr. Deputy Chairman.

Frank Cook (in the Chair): Order. I am not a Deputy Chairman—I am either the Chairman, or Mr. Cook. Please will all hon. Members also take note of the fact that I cannot assume that they want to speak unless they indicate that by standing erect?

Mr. Heald: Thank you very much, Mr. Cook. Stansted airport is right next to several villages in my constituency, including Cold Christmas, Little Hadham and Braughing. For many years those villages have experienced problems with noise from the airport, but I believe it is generally accepted that we should have our airport in the countryside at Stansted. We are, however, against massive expansion of the airport and building a second runway. When the inspector on the original inquiry into Stansted considered how many runways there should be, he made it clear that it would be an environmental catastrophe if there were more than one.

We need to question the whole idea that the focus for cheap holiday flights from Britain should be on the south-east of England. Some 65 per cent. of air traffic goes from the south-east at present and the assumption for the future seems to be that we should try to suck holiday travel passengers down from the midlands and the north by road to fly from airports such as Stansted. That is ridiculous. We must ask ourselves if that assumption is not partly driven by BAA and what it wants to happen. It seems to feel that it is entitled to cross-subsidise from Heathrow to Stansted in order to make use of its dominant market position, even though that means higher costs for passengers and is unfair to other airports, as we have heard in the debate. The time has come to question seriously whether BAA should be able to demand that the south-east bears the burden of all the extra air traffic and to consider whether BAA should retain its monopoly of 93 per cent. of the airports market in this country. We must think about whether it should be broken up.

It is wrong to propose building a second runway at Stansted and not even to consider how to pay for the infrastructure. The roads in my part of the world are clogged and the rail services are so full that people have to stand on the trains, yet the infrastructure is supposed to be able to sustain a huge extra expansion of housing and airports. Frankly, that just does not add up.

Finally, may I ask the Minister a question? Can she point to a single measure that the Government have taken or are considering that will tackle the effect of aviation on global warming?

Frank Cook (in the Chair): Three minutes are available.

10.27 am

Justine Greening (Putney) (Con): Thank you, Mr. Cook. I will keep my comments brief. I echo the concerns already expressed by hon. Members on the sustainability of the development of aviation in the south-east. My concern is about Heathrow. Planes come in to land at that airport directly over Putney, and my postbag is full of letters from people who are extremely worried about the proposals in the latest White Paper for a third runway, the potential end of mixed mode, and the ongoing review of night flights with the impact that that will have on noise and the general quality of life in respect of air pollution in my constituency.

At present, there are no noise monitoring sensors in Putney or in Fulham, which is slightly further away from the runway. My first question is, can the Minister investigate whether the Civil Aviation Authority, and therefore BAA, can be compelled to put those sensors in place and to monitor the noise? Secondly, noise mapping feeds into many of the decisions taken on Heathrow and its sustainability, but that is mapping of average noise, which is the equivalent of my travelling to Rotherham to visit my family, getting done for exceeding the speed limit and then being told that it is okay because my average speed was under the limit so I stayed within the law. Can the Minister confirm that she will consider whether noise mapping should monitor peaks and troughs and excessive noise, not just average noise? The letters that fill my postbag complain about excessive noise.

Adam Afriyie: Does my hon. Friend agree that it is one noisy aircraft, at night or during the day, that disturbs people? That certainly seems to be the case in Datchet, Old Windsor, Wraysbury, Poyle and Colnbrook. Does my hon. Friend think that we should consider measures that take into account a single noisy aircraft rather than the general noise quotients, which seem to hide a multitude of sins?

Justine Greening: I certainly do agree with my hon. Friend. It is time that we took responsibility for the noise created by individual planes that land at airports. We need to take a fresh look at the economic case for developing Heathrow; I would argue that as well as people flying in close by, my constituents also deliver a fair amount to the London economy.

10.30 am

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to participate in a debate initiated by my friend the hon. Member for Uxbridge (Mr. Randall). I respect his views on flight, whether powered or otherwise.

There is clearly some agreement this morning on some of the Government's proposals, particularly those on making better use of existing resources, airports and runways. Unfortunately, that is where the consensus ends. It is worth reminding Members that the background to this debate, as mentioned in today's *Metro* and other papers a couple of days ago, is that CO_2 emissions in the EU rose by 1.5 per cent. in 2002, with Britain one of the worst offenders behind Italy and Finland. The Minister may believe that aviation can take a smaller cut in its emissions because other industries will pick up the slack, but that clearly will not happen. Other industries are already failing to meet their targets for reducing CO_2 emissions.

As the hon. Member for East Surrey (Mr. Ainsworth) said, perhaps there is a consensus on the Department for Transport's recognition that there is a problem on the roads, which is why it has proposed road pricing. I do not think that the Minister's officials are rogue officials—the hon. Gentleman suggested that the Department might become a rogue Department—but there is a problem with the Government's approach to aviation. The freedom-to-fly approach is almost a free-for-all, and Government documents are peppered with phrases such as "capacity running out", "runways are full", "we need to provide more" and so on. There is not much focus on sustainability; the priority always seems to be providing more capacity.

John Barrett (Edinburgh, West) (LD): My hon. Friend will be aware that one major problem in the south-east is the number of short-haul flights. From my constituency in Edinburgh, 75 flights will today take off for the south-east. Does he agree that a high-speed rail link would not only provide a desirable rail substitute but free up slots at airports for international flights, for which there is no alternative mode of transport, without increasing capacity?

Tom Brake: I thank my hon. Friend for his helpful intervention. We know that the Secretary of State for Transport has talked about looking at high-speed rail links—although he should do more than just look at them—and providing trains as an alternative to short-haul flights. I question whether the Government's approach is sustainable.

Several hon. Members have referred to the *Lancet* report. It examined 3,000 children aged nine to 10 in Britain, the Netherlands and Spain and the impact on them of aircraft noise. It found, perhaps not surprisingly, that chronic exposure to aircraft noise impairs children's reading comprehension, that schools close to an airport are not a healthy educational environment, and that there is a link between aircraft noise and stress and a reduced quality of life.

What action have the Government taken since the report was published? Is the Minister satisfied that all the schools in the vicinity of Heathrow, Stansted or Gatwick are sufficiently insulated? Is she satisfied that, if a third runway at Heathrow or a new runway at Stansted is built, schools in the vicinity will be sufficiently protected from the increased noise? Will she commit to a review of noise standards to see whether the Government need to respond to anything in the report?

The industry, rather belatedly, has produced its own sustainable aviation strategy, which the Minister has welcomed. It talks positively about aircraft manufacturers reducing emissions and improving fuel efficiency by 50 per cent. per seat kilometre. Does the Minister believe that the proposals can deliver a sustainable aviation strategy? Can she confirm that the Government's plans already take into account the industry's estimates for emissions reductions and that, therefore, those estimates are not an improvement on the Government's plans for the reduction of emissions?

Another point made by the industry is that airlines will develop solutions for the inclusion of CO_2 emissions in the EU emissions trading scheme. When will that scheme be introduced or when will aviation be

incorporated into it? Given that the likely date for introduction will be 2012 or beyond, will interim measures have to be taken? In any case, can the aviation industry adopt a sustainable strategy when someone like the chief executive of Ryanair, Mr. O'Leary, is quoted in the papers today saying that if people are worried about air pollution, they should sell their car? Does the Minister think that that is a sensible approach? If some industry players are not going to contribute to reducing CO_2 emissions, what can the Government do about them?

Mr. Peter Ainsworth: On the subject of the industry's ability to sharpen up its act and reduce CO_2 emissions, is the hon. Gentleman aware of what Mike Clasper, the chief executive of BAA, wrote last spring? He said:

"So how does a growing industry which will continue to rely on aviation kerosene cut its emissions? Frankly, we can't."

He went on to say that, although there would be fuel efficiencies, the level of emissions would continue to rise for the next half century or longer.

Tom Brake: That is a worrying statement. I am pleased that others in the industry, such as the outgoing chief executive of British Airways, Rod Eddington, have adopted a different approach and suggested that the short-haul flights to which my hon. Friend referred a few seconds ago are entirely inappropriate.

It is clear that the projected increase in emissions is unsustainable. As hon. Members will know, if growth in aviation continues unmanaged, by 2030 the demand for air travel will be slightly less than 500 million journeys a year in the UK, and carbon emissions will quadruple—taking into account the multiplier effect that applies to emissions at high altitude, the increase will be greater still. Demand management is now the name of the game.

Mr. Heald: Is the hon. Gentleman aware of any measure that the Government have taken or are considering taking to tackle the effects of aviation on global warming?

Tom Brake: It is appropriate for the Minister to respond—she has had about 15 minutes to think about it—but I suspect that the response will be rather short.

In terms of demand management, there are solutions that the Government could consider. Could slot auctioning be a solution, provided that safeguards are in place for some flights from more remote areas? Could personal carbon allowances provide a solution? What about the high-speed rail links that have been mentioned?

The aviation White Paper seemed to accept two important planks of Liberal Democrat aviation policy: first, that a "predict and provide" approach is the wrong approach for future requirements; and secondly, the principle that the polluter must pay. The Minister has an opportunity to prove that her Government are not just paying lip service to those principles but are prepared to implement them.

10.39 am

Mr. Julian Brazier (Canterbury) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on securing this debate, timely as it is with the Civil Aviation Bill due to have its Second Reading next week. His constituents already know how extremely hard he works for them. I received the aviation and shipping briefs a few weeks ago and his extraordinary environmental knowledge extends across both sides of my new parliamentary interests. His speech was powerful, and it moved us all.

I remind the House of three simple statements first articulated by my hon. Friend the Member for South Suffolk (Mr. Yeo) in his former shadow Cabinet position. First, he said that before any expansion in runway capacity in the south-east is sanctioned, we will use our best endeavours to ensure that Britain is a full participant in an EU emissions trading regime covering the aviation industry. Secondly, he said that we will ask BAA to review its compensation arrangements with a view to being much more generous to those people whose homes are blighted by airport development. That is of course a simple example of the principle that the polluter, whether by emissions, or in this case by noise as well, should pay. Thirdly, he said that we will oppose the cross-subsidy of airport development costs, which is something that used to be accepted across the political spectrum.

To the three points made by my hon. Friend I should like to add a fourth. We need to address seriously the issue raised by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) and others about why so much aviation is focused on the south-east and, in particular, on the three big airports controlled by BAA. At this point, I welcome the Minister to her new post, and I look forward to her winding-up speech.

Airlines should be seen as an integral part of the nation's public transport network. They provide transport to every corner of the globe as well as throughout this country. Although we are discussing the less desirable features of airlines, it is important to remember that for people well down the economic scale the growth of low-cost carriers has brought opportunities for tourism beyond the dreams of earlier generations. That growth has also had enormous benefits for business, and more than half the passengers on the new low-cost carriers are business men and women.

Nevertheless, most speakers today, particularly my hon. Friends the Members for Uxbridge and for East Surrey (Mr. Ainsworth), have reminded us just how strongly the environmental features, especially those relating to global warming, are being challenged.

I also attended the worrying presentation by the Tyndall Centre for Climate Change Research. It claims that if aviation continues to grow at its present rate, it could wipe out all savings made by all other sectors of the economy, making it completely impossible for the Government to achieve their CO_2 emissions targets. Indeed, it is a straightforward historical fact that since this Government took office, aviation on its own has been responsible for CO_2 emissions going up rather than down.

Tom Brake: Does the hon. Gentleman agree with my earlier point that far from aviation making any savings and being able to access savings made by other areas of industry, the evidence shows that our emissions are going up?

Mr. Brazier: Our emissions are indeed going up, although even the Tyndall study accepted that through efficiency measures there is scope for savings of about 2 per cent. a year. There are a number of other objections to its analysis. It has not taken account of the impact of the growth of fuel prices on demand, which is a market correction of its own. Further, its extraordinary claim that one must multiply by a figure of 2.7 is not borne out by scientific evidence.

Mr. Peter Ainsworth: I am grateful to my hon. Friend for giving way, but I must say to him that his last point was incorrect. The figure of 2.7 is a Treasury figure that is applied for very good reasons as a multiplier to the climate change impact of aviation.

Mr. Brazier: We do not have time for a long debate, but as one example of a study from the other side, I quote the analysis of the three days after 9/11 when there were no flights in America at all. If one considers temperature movements during that period, it appears that aviation trails have some effect of reflecting sunlight. There are profound disagreements within the scientific community, but there is a general recognition that the impact of aviation in such an area is huge, although it is difficult to quantify.

I do not want to foreshadow the Civil Aviation Bill that will be discussed next week, except to say that we strongly support the view that the polluter must pay. There are issues where we can build on relationships with the industry and I welcome the initiative that was announced a day or two ago that the industry wants to become part of a robust European emissions trading scheme, which would allow it to trade permits with other European airlines. Along with its contribution, we shall be debating other ways in which we can consider the matter on Monday.

As for compensation, we all know that planned airport expansion worries local people and can have a devastating effect on house prices. My hon. Friend the Member for Uxbridge said that that happens many years before the bulldozers move in—if, indeed, they do. Many people find that their houses become unsaleable because of the prospect of development although they live outside those areas that are covered by the existing, narrowly drawn blight compensation schemes. BAA plc is a highly profitable organisation, which enjoys a 93 per cent. virtual monopoly in the south-east. Frankly, it can afford a more generous scheme.

I come now to my third policy point. It used to be accepted by all parties that there should be no cross-subsidy within the near-monopolistic giant that is BAA plc. Yet the Government have committed themselves on a tight timetable to an expansion at Stansted of a second runway, despite the fact that Stansted has failed to attract intercontinental business; 90 per cent. of its flights are carried out by Ryanair and easyJet, both profitable airlines, but the relatively small aeroplanes that they use and a business that pays per passenger obviously only generate a fraction of the business that is generated by wide-bodied jets. No one seriously believes that Stansted could finance such an expansion from its own revenues.

The Government concluded in its White Paper that there was a serious need for additional runway capacity. With Gatwick blocked until 2019, if the Government's demand figures are right, if the present growth of aviation is allowed to continue and if it all happens in the south-east, that could only mean Heathrow. However, those are very big ifs.

It is not only the direct impact on local people that is worrying; there are also transport issues, but time does not allow me to elaborate on such matters. Heathrow airport's new terminal 5, which is almost complete, could generate up to 50,000 car trips each day across London and the south-east. While welcome in other ways, the Crossrail proposal may undermine the existing Heathrow Express service and the imaginative new proposals for a new link to Waterloo. Meanwhile, the train service to Stansted is becoming worse. Two new stops will be introduced soon.

The Government's policy in the White Paper is a mess. It lacks a coherent vision. The Government want to tackle climate change; they want to expand capacity in respect of the most serious polluters. They are willing to allow airport expansion, but chose the wrong site in the wrong place with an inadequate infrastructure and a deteriorating train service. They are egging on the promoters of the Heathrow extra runway on the one hand, but doing remarkably little about pollution control on the other.

The truth is that we need a bold, joined-up vision for aviation in this country. Serious questions need to be asked, such as how much growth is sustainable, how much of it should be in the south-east and how it will fit into the other areas of transport, particularly rail and road services. Such matters needed to be studied in the round. Sadly, the Government's White Paper and current policy do not do that.

10.49 am

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing the debate and I congratulate other hon. Members on their contributions. The discussion has ranged widely, extending to matters beyond aviation in the south-east, the specific title of the debate. I accept why that has happened; such matters cannot be put in a box, but I hope that hon. Members will forgive me if I cannot deal with each issue that they raised as comprehensively as it would probably warrant in its own right.

The hon. Member for Uxbridge made a number of points, some of which I will try to address in my speech. I recognise his long-standing concern for his constituents, and it is right and proper that he and others, as constituency Members of Parliament, should champion their constituents' interests. He mentioned the fact that my hon. Friend the Member for Hayes and Harlington (John McDonnell) was unable to be here today. He, too, has consistently championed the cause of his constituents and their concerns and he asked me to apologise for his absence.

I thank my hon. Friend the Member for Crawley (Laura Moffatt) in particular for bringing to bear in the debate her very long-standing experience and expertise on behalf of her constituents. I was pleased to hear her reflect a degree of balance that was missing from the other contributions, as I hope to be able to explain. I also very much appreciate the tremendous expertise, built up over a long time, of the hon. Member for East

Surrey (Mr. Ainsworth) in his capacity as chair of the Environmental Audit Committee. He raised many important issues, which warrant many other debates and to which I am sure we shall return. The hon. Member for Aldershot (Mr. Howarth) raised specific issues and I will write to him. In the next few minutes I will try to pick up some of the issues that other hon. Members raised.

No one will be surprised that I do not intend in these comments to deviate from the broad thrust of the air transport White Paper, which, 18 months ago, for the first time in decades and possibly ever, set out a strategic framework for the future of the aviation industry in this country and for air transport. It recognised, rightly, that the economic, personal, cultural and social benefits of air travel must be balanced against the undisputed environmental impacts at both local and global level and the needs of the communities that airports serve.

I feel that the economic arguments were peremptorily dismissed by the hon. Member for Uxbridge and others. That is sad, because many Opposition Members represent constituencies that gain directly and indirectly from the economic benefits that aviation has brought to this country. Some 200,000 jobs depend on the industry directly and one third of all UK exports are delivered by air. Aviation is crucial to tourism: 70 per cent. of all visits to the UK in 2003 by overseas residents were made by air. Indeed, 20 per cent. of all international flights in the world in 2003 began or ended in the UK.

We must be careful, in an era of intense international competition, not to jeopardise the prosperity and employment opportunities that accrue to London, the south-east and Britain as a whole as a result of aviation. Simply acting as if we are not operating in an international context is not good enough. We know what is happening at Schiphol, Frankfurt and Charles de Gaulle, to mention just some airports that are only an hour away from us. Not to consider the growth in their role as hub airports is to miss something important in the international context. We must be aware of that for our future prosperity.

The economic benefits include low flight prices, but again they were swiftly dismissed by the hon. Members for North-East Hertfordshire (Mr. Heald) and for Carshalton and Wallington (Tom Brake). My 11-year-old son has travelled far more than I had done by the age of 21. In fact, I did not go abroad until I was 21, and that phenomenon was replicated in my generation among people from lower-income backgrounds. We must be careful not to shut down the personal, cultural and social opportunities for travel that, frankly, everyone in this Room enjoys for themselves.

Mr. Heald: We were told that Stansted was an airport in the countryside, serving our area. Yes, we all use it; we go on holiday from there. But we are against the strategy of making people from the north of England and the midlands come down to Stansted before they go on their holiday. Why can they not go from their own airport?

Ms Buck: Is that a declaration of independence for the south-east? I think colleagues should be told. One of the enormous strengths of the air transport White Paper is the strategic approach to the development of airports in regions across the country. One of my first tasks as a Minister was to go to Bristol airport to welcome the first international flight into Bristol from America. That is part of a deliberate approach to encourage the growth of regional airports for their own economic prosperity, for the benefit of the country and to relieve pressures on London and the south-east. *[Interruption.]* I just want to finish this point. We need to be wary of opportunism. When the Department launched a debate on road pricing, there were Opposition Members who immediately leapt in to say that it was a war on the motorist. That argument is against a background of a fall in the real costs of motoring—a fall that opens up the possibility of debate on options for roads. To call that war on motorists while saying that the opportunity for cheap flights is almost a moral wrong strikes me as deeply inconsistent.

The White Paper makes it clear—I hope that people recognise this; it was recognised by the hon. Member for Carshalton and Wallington—

Mr. Peter Ainsworth: Will the Minister give way?

Ms Buck: Yes.

Mr. Ainsworth: I hear what the hon. Lady says about low-cost travel, and I tried to make it clear that there is a need to curb future demand, not deny people the right to travel now. Would she not say that there is something quite odd about a situation in which it costs 10 times more to park a car at Gatwick airport for two weeks than to fly to Marbella and back?

Ms Buck: That is partly to do with the marginal cost of tickets. It depends on what tickets someone gets. It is not, strictly speaking, comparing like with like. As the hon. Gentleman is well aware, the point about surface access to airports is very much integral to the debate on pollution that was rightly mentioned by a number of hon. Members. If we are serious about tackling the air pollution problems that we all recognise exist around airports, we must accept that surface access arrangements, discouraging the car and using public transport alternatives are absolutely central to that argument.

The Government's approach is absolutely not to predict and provide. We have taken the overall view of looking forward to a level of aviation that meets pressures on existing airports and future demand but is absolutely at the lower end of the unconstrained level of provision. Our first priority is to make efficient use of existing capacity at existing airports, but as we made clear in the White Paper, that would fall a long way short of a lasting solution. That is why we support two new runways in the south-east: one at Stansted and—provided strict environmental conditions can be met—an additional third short runway at Heathrow.

Time is running out, so I shall quickly focus on Heathrow, as it was central to the argument advanced by the hon. Member for Uxbridge. We have made it absolutely clear in the White Paper that, as a precondition for expansion at Heathrow, three core tests must be met: there must be compliance with air quality standards, in particular on nitrogen dioxide; there should be no further increase in the size of the 57 dB average daytime noise contour; and there must be

[Ms Buck]

improvements to public transport across the airport. I shall skip the point about public transport to focus on air quality.

A key requirement of expansion is that we must be confident that EU air quality limits, which will be binding on this country from 2010, will be met. Air quality around Heathrow would not meet European standards for nitrogen dioxide if those limits were applicable today. Work done at the time of the White Paper suggested that they would not be met in 2015 at Heathrow if there were further development. In some cases, the work predicted that many hundreds of thousands of people would be exposed to nitrogen dioxide levels over the limits that will be mandatory from 2010. That is a clear recognition of the scale of the problem and the need to tackle it as a precondition for expansion.

There is a lot that I could say about the monitoring arrangements to be put in place. There is to be peer review and independent scrutiny, on both aircraft emissions and surface transport. I am sure that we shall discuss that when I meet the hon. Member for Uxbridge and others in the near future.

We also recognise the importance of noise limits. The hon. Member for Putney (Justine Greening) asked about monitoring. Noise is currently monitored at airports, and controls are operated with respect to certificated noise in accordance with international practice, but I will look into her specific question about Putney and come back to her on that.

Mr. Heald: Will the Minister give way?

Ms Buck: I have one minute left and, if the hon. Gentleman will forgive me, I just want to make a final point about climate change.

We cannot act unilaterally on emissions. By far the most effective way—and the right way—to proceed on climate change and aviation's contribution is to work in an international context. That is why we are committed to working for an emissions trading scheme with the EU by 2008, or as soon as possible thereafter. There are positive negotiations going on about that, and it will be a centrepiece of the Government's negotiations during their chairmanship of the EU. I hope—but do not necessarily expect—that that will give some reassurance that the Government are approaching the issue strategically and with a clear balance between the economy and the environment.

Frank Cook (in the Chair): Order. We must move on to the next topic for our consideration.

Evesham Community Hospital

11 am

Peter Luff (Mid-Worcestershire) (Con): For the second time in two weeks I am extremely grateful to Mr. Speaker for the opportunity to stand in this Chamber and defend a vital local service. Two weeks ago the issue was the impact of the Licensing Act 2003 on a range of institutions and organisations, especially village halls. At first sight that was a national issue with local implications, whereas today's debate appears to be a strictly local affair that has implications that go no further than Evesham. However, that assessment would be wrong for three reasons, which is why it is right that the Minister should have the opportunity to explain.

The first reason is shown by the presence of the hon. Members for Worcester (Mr. Foster) and for Wyre Forest (Dr. Taylor). The proposal virtually to halve the size of Evesham community hospital by closing two wards, removing general practitioners from caring for patients in another ward and transferring orthopaedic services to Kidderminster has serious implications for the whole county of Worcestershire and its surrounding areas.

The second reason is that the proposals fly in the face of one of the Government's key national policy objectives for the national health service: local service delivery and accountability. In 2003, "Keeping the NHS local: a new direction of travel" challenged the perceived wisdom that biggest is best, and committed to the delivery of as local a provision of services as possible. It also strengthened the commitment for the NHS to work with and not for local people in developing options for the delivery of services.

In 2000, "The NHS Plan: a plan for investment, a plan for reform" and in 2004, "The NHS Improvement Plan: Putting people at the heart of public services" again committed to a major investment in services closer to home, particularly the management of patients with long-term conditions. South Worcestershire primary care trust is doing the exact opposite. It is reducing local primary care services in order to support the costs of a large acute hospital sector that provides a range of services that could, and should, be provided close to patients' homes and in primary care settings.

The third reason is that the drivers of the outrageous proposals are all national. The cuts being considered by South Worcestershire PCT, of which the proposals for Evesham community hospital are just a part, are its response to national policies imposed on it, often against its will. Its experience is far from unique. The proposals for Evesham were developed not on clinical grounds, but simply because it is the largest part of the PCT's budget over which it has any discretion. This would be the second round of damaging cuts at the hospital in three years and has four equally unacceptable parts.

The first is the proposal to close the enormously successful and essential rehabilitation ward, Bredon ward, which offers a vital service to support the county's acute hospitals and was developed only two years ago with the current PCT. Closing the ward will mean many things: patients being stuck in an acute hospital where the focus is on primary treatment not rehabilitation; increased pressure on an already seriously overstretched

acute sector; patients not being able to return near to home for post-operative care and rehabilitation; more travelling for families to see and to support relatives; and less locally co-ordinated discharge planning and so more chance of problems on discharge.

The second part is the closure of the immensely well regarded Willows stroke unit. The letters I have received about that proposal would melt even the stoniest heart. I have many of them here and if time permitted I would quote from them extensively. The stories they tell of hope reborn and of outstanding nursing care show how much the service achieves and how precious it is. The ward is widely recognised as a centre of excellence. It was opened only a few years ago by the late Sir Harry Secombe, and the PCT itself has invested in it significantly. Early discharge of the kind of people treated on the ward would be to betray their best clinical interests. It would lead to huge pressure on families, and would severely compromise treatment and rehabilitation and, crucially, jeopardise successful outcomes.

The closure of those two wards would undermine the viability of the staff grade doctors' role at the hospital. That would probably lead to the closure of the one ward, the William Astley ward, otherwise unaffected by this package. The attempt to keep that role viable probably explains the third proposal, to remove GPs from Izod ward, which would mean a reckless loss of continuity of care from local GPs who know their patients' circumstances and full medical history. The quoted saving for ending the role of GPs seems remarkable, because the current total Izod ward bed-fund payments for all the GPs put together amounts only to little more than a third of the quoted saving, and there would probably be redundancy payments to make as well.

The fourth proposal is the transfer of orthopaedic services to the independent sector treatment centre at Kidderminster. The only reason for that is that the Department of Health has forced the primary care trust into a contract that it, the local GPs and the patients do not want. On a case by case basis, Evesham community hospital is cheaper than the treatment centre. The Kidderminster centre is a 55-mile round trip from Evesham; therefore, the journeys that would have to be made there for an initial consultation, surgery and a single follow-up visit would amount to a combined trip of 165 miles. That assumes that patients have easy access to cars, which many do not. By public transport, the journey is a nightmare, especially from the villages of south Worcestershire.

The PCT must know that the loss of orthopaedics would also lead to physiotherapy and X-ray at Evesham becoming less viable. What makes this proposal truly bizarre is that, under the Government's policies, most local people will choose to be referred to the much closer Cheltenham general hospital, where the cost will be even greater than at Evesham.

In summary, these cuts are as unacceptable to the people of Evesham and the surrounding community as the downgrading of Kidderminster hospital was to the people of Wyre Forest. The hon. Member for Wyre Forest is present, and I am grateful to him for the support he has given us.

Dr. Richard Taylor (Wyre Forest) (Ind): I just want to put on the record that the Kidderminster treatment centre was provided, following a Government inquiry, to perform elective surgery to relieve the pressure on the acute hospitals in the county, at Redditch and Worcester. It was not provided to rob other community hospitals of services that are being performed locally and that already take the load off the acute hospitals.

Peter Luff: I entirely agree, and I am most grateful for that very helpful clarification. The hon. Gentleman understands the role of community hospitals, and I hope that by the end of the debate the Minister will understand it, too. I feel sure that I will be encouraged in that respect.

There is anger of unprecedented proportions in the vale of Evesham, and I am deeply grateful to two local institutions for their magnificent support for our campaign; the fine local paper, the *Evesham Journal*, and Evesham Technology, the local computer manufacturer and retailer. They have helped to give focus and expression to that anger.

To understand the depth of that anger, it is necessary to understand the history of Evesham's hospital; or, rather, hospitals, because Evesham used to have two, Briar Close, built in 1879, and Avonside, built in 1930. I understand that there was also a third isolation hospital in the town, but this debate has its origins in the story of Briar Close and Avonside.

In 1986, Worcester and district health authority announced plans to deal with an overspend of £1.8 million by, among other things, transferring services from Briar Close to Avonside, although, to be fair, the plans also included the building of a new theatre. Seventy health workers lost their jobs when Briar Close closed down in 1988 and the land was sold for housing development. Evesham was now down to having one hospital, in which, when it was taken over by the NHS in 1948, there had been 287 beds, many for long-stay elderly care, so it was a significant hospital.

Some extensive ward upgrading took place at Avonside in 1986, but in the same year the maternity unit moved to Worcester, despite widespread public opposition. That loss of service marked the beginning of a tale of the gradual erosion of the hospital, with some bright and encouraging exceptions. In 1990, ward six closed, and Bartholomew ward went the same way in 1998. On a brighter note, a public appeal launched in 1993 led to the establishment of the Macmillan palliative care unit. However, 2003 saw further trauma as another round of cost cutting by the PCT led to a reduction in staffing at the minor injuries unit, and in 2004 the physiotherapy unit suffered reduced staff numbers. We now come to 2005 and the latest cuts, which would reduce the hospital to just 42 beds, including the five Macmillan beds, all of which is designed to contribute to a £4 million cost saving exercise by the PCT.

Over the years, Evesham people have always been told that their hospital was secure, and over those same years it has been slowly chipped away at by an NHS looking to make savings to make good problems elsewhere in the county. Evesham has been the sacrificial lamb once too often, and it must not happen again.

Evesham people felt very closely attached to both hospitals, and they continue to make generous donations to the remaining hospital. All the wards undertake continual fundraising to provide extra

[Peter Luff]

facilities. The friends of the hospital receive frequent bequests and numerous donations from clubs, groups, organisations and businesses from Evesham and the surrounding area. Over many years, the friends have supplied equipment; for example, they kitted out a young disabled person's room with a shower and hand basin with equipment specially designed for disabled use. These cuts are the reward for their loyalty.

The hospital must be saved, and the long-promised new hospital must be built. That must happen not just because local people are upset and angry; indeed, it is not just local people who are upset. Evesham provides a service to the whole county, and its wonderful staff are held in deep affection the length and breadth of Worcestershire. I accept that the Minister may not have a detailed grasp of Worcestershire's geography, but it is significant that the *Kidderminster Times* this week has a letter of protest from Bewdley, and my first telephone call of outrage came from Hartlebury. Evesham must be saved because it provides essential services to the whole county, because closing these wards will endanger patients, and because the proposed cuts will not generate the savings claimed.

I was pleased to get the support of the hon. Member for Wyre Forest, and to receive an early request from the hon. Member for Worcester to intervene in this debate; I happily give way to him now.

Mr. Michael Foster (Worcester) (Lab): I am most grateful to the hon. Member for Mid-Worcestershire (Peter Luff) for giving way. The issue that he raises of the capacity of the health economy in Worcestershire concerns us all. Does he agree that if the Government are seriously considering building new community hospitals, an ideal base for one such building would serve my constituents in Worcester and his on the Droitwich side of his constituency? That would be the ideal place for a new community hospital.

Peter Luff: The hon. Gentleman is absolutely right. We need more community beds, and that location would be very suitable for them. We must support an acute hospital under desperate pressure.

Put simply, and perhaps more controversially, the financial pressures on the South Worcestershire primary care trust are the direct result of the enforced implementation of national Government policy. That is why it is right that the Minister should be here. The Government imposed on the NHS well-meaning but expensive commitments—such as the waiting time initiatives and the new GP contract—but did not provide sufficient extra funding to pay for them fully.

They forced acute hospital trusts and primary care trusts to find every creative device to balance the books in the year before an election. Then, incredibly, they ordered those same trusts to achieve balance again in the current financial year. That last instruction, which no trust manager dare ignore, precipitated the crisis for Evesham. The tricks of election year cannot be repeated, but the Government have made the cynical calculation that howls of outrage the year after one election will be forgotten by the next one. However, if those cuts are allowed to proceed, the people of Worcestershire will not forget it. We do not even know what the acute hospital is going to do to find the £20 million it needs to balance its books.

Two specific local problems, imposed on the county by central Government, lie at the heart of our difficulties. First, the Government built a major acute hospital under the PFI that was too small and had a contract that was too inflexible. All the risk is borne by the NHS, and when the Worcestershire Royal hospital operates well beyond the sensible and contractually agreed level of 85 per cent. of capacity—as it has to most of the time; sometimes it operates at more than 100 per cent.—the contractor receives massive penalty payments to compensate for those excessive activity levels.

Secondly, the Government imposed on the county—for reasons rightly set out by the hon. Member for Wyre Forest—an orthopaedic independent sector treatment centre at Kidderminster, where the profit making contractor gets paid the full contractual sum, irrespective of how many procedures are performed there. It is not full; no wonder the PCT is trying to bully Evesham patients into making the impossible journey to Kidderminster.

The Government are imposing high and unavoidable costs on the local NHS to meet contractual obligations to profit-making private sector operators, and that has led directly to cuts in local services. Evesham hospital is being sacrificed to meet the bills of two private sector contractors; that is what makes the story truly remarkable. The only matter for local decision making now in Worcestershire's NHS is which local services should be cut to meet the obligations imposed on it by Whitehall. What makes this matter additionally disturbing is that the South Worcestershire primary care trust appears to be one of the worst funded in England.

In 2003–04, the latest year for which I have figures, the trust was funded at about £100 per head below the English average. Given that there is a population of roughly 250,000, that means we were short-changed by at least £25 million. I am trying to get more up-to-date figures from the Government, but the figures that I have mentioned, taken from an article in *Pulse* magazine, appear to show that the South Worcestershire primary care trust should not be seeking £4 million in cuts, but be looking for ways to spend an extra £21 million.

As it is, the PCTs have said that saving around £2 million from the cuts at Evesham is unrealistic. Additional costs flowing from the proposals—the costs of longer stays at Cheltenham General and Worcestershire Royal hospitals, of additional nursing and day rehabilitation services and of spending more on hospital care outside the PCT—would further reduce savings.

The campaigners have some positive suggestions to address the financial situation. The merger of the county's three PCTs—South Worcestershire, Wyre Forest and Bromsgrove and Redditch—would cut central costs a bit and significantly improve the efficiency of commissioning. Equitable funding for Worcestershire's NHS would give us enough resources to abandon the cuts, and the redevelopment of Evesham community hospital—a new hospital—could reduce capital and maintenance charges, improve efficiency and expand services, repatriating work to the county and costs back into the PCT.

To sum up, here are some specific points for the Minister. He will not be able to answer them all today, but they are the local points that need to be answered. On orthopaedic services, can the Minister confirm that it is NHS policy to encourage and support patients to choose the hospital from which they receive treatment? What makes the Government confident that they will choose Kidderminster hospital rather than Cheltenham General hospital? As the procedures at Cheltenham will be at full tariff price and therefore more expensive than at Evesham hospital, how would that save money?

On the processes of the primary care trust itself, section 11 of the Health and Social Care Act 2001 requires PCTs to involve patients and the public from the very beginning when developing possible service changes, rather than just consulting them on proposals developed by PCT management. Can the Minister explain how patients and the public have been involved in developing those proposed service cuts?

With respect to the closure of wards, can the Minister confirm that patients who need rehabilitation but who are discharged home from the acute hospitals instead of being transferred to Evesham would receive the same level of therapy and nursing? Can he confirm that the closure of the two wards would not lead to more patients being forced to enter care homes to free up acute hospital beds because they are not fit enough yet to return home? Can he confirm that the ward closures would not shift costs of care to social services or to individuals and their families?

With respect to the proposal to remove GPs from Izod ward, can the Minister explain why the PCT wants to do that at Evesham but not at Malvern, Pershore or Tenbury Wells? Can he confirm how much the reduction in quality of service at Evesham will actually save? Will it be easy to recruit good staff-grade doctors in the future? There are doubts about that.

With respect to the capacity of the county's health service, the acute hospitals are regularly on alert and unable to find beds for people requiring emergency admissions. Worcestershire Royal was on black alert only last Friday night, so how will the loss of 38 more beds from the Worcestershire health economy affect the situation? As the hon. Member for Worcester suggested, should not we be developing new community beds rather than cutting existing ones?

Can Evesham still expect the new hospital that it has been promised for so long and that it so urgently needs to provide a broad range of services similar to that currently provided? Can the Minister assure me that the capital sums raised by any sale of the existing site will not be used to plug one year's deficit, but be reinvested in the health service of south Worcestershire in the shape of that new hospital?

I hope that the Minister understands that he cannot shrug off responsibility for the mess and say it is all about local decision making. It is the decisions of the Government that have created the situation, and I hope that it is the Government who will help get us out of it.

11.16 am

The Parliamentary Under-Secretary of State for Health (Mr. Liam Byrne): Thank you, Mr. Cook. I think that this is the first time I have served under your chairmanship, and it is a pleasure to do so.

I congratulate the hon. Member for Mid-Worcestershire (Peter Luff) on securing this debate on Evesham community hospital. He has taken a keen interest in health matters in Worcestershire, and I know that his expertise does not extend simply to the borders of his own constituency. During his career, he has had some exposure to health matters in the great city of Worcester, which I am glad to see is also represented in this debate by my hon. Friend the Member for Worcester (Mr. Foster).

I know, too, that the hon. Gentleman has raised the proposals now under discussion by his local primary care trust in a parliamentary question, to which my hon. Friend the Minister of State replied on 9 June. In what was an eloquent dissertation today, he raised a number of detailed issues. I will address as many of those as I can, and I will write to him on those that I am unable to answer satisfactorily.

If the hon. Gentleman will indulge me, I will describe a bit of the backdrop before I turn to address the specifics of the important local issues that he has raised. Perhaps the most prominent feature of that backdrop is the extent to which health care in communities up and down our country, including in places such as Evesham, has changed in the past six or seven years. Massively increased investment has allowed us to hire more staff, build more hospitals, cut waiting times and cut mortality rates, in some cases quite dramatically.

I looked at some of the figures as I prepared for an Adjournment debate on Monday with the hon. Member for Wyre Forest (Dr. Taylor), who also knows a great deal about health care in the area that we are discussing. Some of the figures bear some repetition. Overall, spending is up by a third. Staff numbers are up by 21 per cent., with GP numbers up 13 per cent., consultant numbers up 44 per cent. and nurse numbers up 25 per cent., and 85 new hospitals have already been delivered. That has allowed us to cut in-patient waiting times first to 12 months, then to nine months and now to six months. Indeed, I understand that nobody in the South Worcestershire PCT area is waiting more than nine months for inpatient appointments.

When we look at some of the biggest killers in the country, we can see the results of that investment and improvement. Cancer death rates are down by 12 per cent., and coronary heart disease death rates down by 27 per cent. I was glad when officials told me that that improvement in health outcomes appears to be shared by the residents of Mid-Worcestershire. Indeed, Evesham hospital has benefited from the increased investment. Its budget has increased by more than £1 million, or about 16 or 17 per cent., in the past few years.

The larger question that looms over our debate this morning is where we go from here; where do we go nationally, and where do we go in Mid-Worcestershire? The larger question is, on the basis of the investment and success to date, how can we create an NHS that is truly patient centred; an NHS that we would be happy to use and that we would be happy for our constituents and our own families to use?

The Government's answer is straightforward. First, we believe in more investment, but it must be coupled with a new degree of choice for patients about where and how they would like to be treated. Secondly, we propose national frameworks, or national standards, for how

[Mr. Liam Byrne]

that care is provided. Some of those standards have been described variously as the envy of the world and among the world's leading definitions of health care, but they must be coupled with a new freedom for local health care professionals working with their local communities to decide how best those standards are met. It is that new freedom which is the real author of today's debate.

Here we have a situation where local health care professionals have very properly surveyed the health needs of the local population, and have come to a set of recommendations, or provisional conclusions, about how to invest the resources with which they have been entrusted, and their plans have, as we have heard quite graphically this morning, struck a note of discord.

Peter Luff: It is important to understand that the primary care trusts do not want to make these cuts. They are not my enemy. They disagree with what they are having to do; it is not their choice. They have no discretion over the rest of their budget. The only discretion they have concerns small pots of money, as at Evesham community hospital. They are making these cuts not out of choice, but because they have no choice.

Mr. Byrne: I will address that argument as I develop this hypothesis.

The provisional recommendations that the primary care trust has set out are plans that must be drawn up to explain just how the local health economy intends to deliver the standards that people ultimately voted for in the general election a few weeks ago. They are set out according to guidance issued in July 2004 by my Department and snappily entitled "National Standards, Local Action: Health and Social Care Standards and Planning Framework 2005/06—2007/08".

The first point to make, however, is that these are not recommendations or provisional conclusions born of a financial crisis. Far from it. The hon. Gentleman will know this. Revenue allocations are made to primary care trusts on the basis of the relative needs of their populations. It is quite right that, as a country, we invest health resources in areas where there is the greatest health need.

This means that South Worcestershire will receive an allocation of £313.5 million next year, rising to £344 million in 2007–08. There is a cash increase of £57.1 million, 19.9 per cent. over the next two years. I hope the hon. Gentleman will accept that this is a significant increase in resources.

The hon. Gentleman mentioned two points. First he felt that the local primary care trust has been in some way short-changed. The response to that is that we must invest in areas where there is the greatest health need. Secondly, he felt that the cost of new standards was over and above the resources that have been invested. I want to point out that in 2002–03, the primary care trust had a budget of something like £200 million. When we look forward to 2007–8 and we see that the figure is £344 million, I think that an increase of £144 million over a fairly short time is a very significant envelope with which to invest in delivering new standards.

Another pertinent point is that the health professionals of South Worcestershire primary care trust will not and are not making decisions about how to spend this very significant amount of money without intensive engagement with the local community. This is a matter of fact and, I might say, a matter of law. The hon. Gentleman mentioned section 11 of the Health and Social Care Act 2001, which is very important. It placed a new duty, from the beginning of 2003, on NHS trusts, primary care trusts and strategic health authorities to involve and consult patients and the public in service planning and in the development of proposals for changes. As the hon. Gentleman points out, that encompasses ongoing service planning, development of proposals—not just consideration of the final product—and decisions about general service delivery, not just major changes.

Furthermore, the Healthcare Commission will regularly assess patient and public involvement as part of its review of clinical governance. The Act, as the hon. Gentleman pointed out, was reinforced by the approach and principles set out in "Keeping the NHS Local", published on Valentine's day 2003. It provided new guidance on service change that builds on the new arrangements for patient and public involvement. It challenged the view that biggest is best, and explored some innovative ways of keeping high quality and locally accessible services within the important bounds of patient safety.

As the hon. Gentleman might know, one of the core principles of that guidance is to take a whole systems view of the local health economy, encompassing the different contributions of hospitals, primary care settings, intermediate care settings and social care providers.

What does that mean for Evesham hospital? I understand that, as a result of the dialogue around the primary care trust's local delivery plan, three basic proposals were discussed at the primary care trust board meeting on 8 June, and will be part of the debate with local stakeholders prior to the public consultation which will follow. It goes without saying that these proposals are at a very early stage.

As the hon. Gentleman pointed out, I understand that the proposals encompass the possible closure of two wards at Evesham hospital, in the context of the development of community matrons and an increased district nursing service; the reduction of orthopaedic activity at Evesham hospital, with the treatment being undertaken at the new Kidderminster independent sector treatment centre; and changes to the arrangements for medical cover.

I am advised that the PCT has been open in its handling of this matter and I am pleased about that. That is in no small part down to the hon. Gentleman's long-standing engagement with local health care professionals. The PCT is discussing the proposals with a wide range of stakeholders, including staff, patients, the local council, social services and the public. Those discussions are ongoing and I expect the PCT carefully to consider all the representations that it receives.

It might help the House to weigh up what the proposals mean in practice if I explain that Evesham hospital conducted around 32,260 cases last year, spanning minor injuries, day hospital cases, and outpatient, inpatient and day cases. The combined total of discharges on Willows ward and Bredon ward was about 256. Of course, it is not very fair to set one figure

against another but were I pressed to do that, I would point out that the total number of discharges from the two wards represents about 1.75 per cent. of total activity in 2004–05.

The hon. Gentleman challenged the idea of chipping away at the service. It is probably fair to consider exactly where the local PCT is talking about investing the money that it is being given. It proposes that there will be £700,000 for new NHS dentistry, £700,000 for new mental health services, £2 million to be directly invested in access to acute services and the move to a maximum 18-week waiting time, £700,000 for community services, including four new community matrons, an intravenous therapy team, a community rehabilitation team, a muscular sclerosis nurse specialist, a Parkinson's disease nurse, community health trainers for the prevention of obesity and three heart failure community nurse specialists. So the proposals that the PCT is weighing up do not relate solely to the issue of closing one ward; there is also the serious issue of what other investments will be made.

The hon. Gentleman mentioned the issue of Kidderminster independent treatment centre. My understanding is that the contract for that independent treatment centre was agreed on the basis of 100 per cent. new orthopaedic activity, as required by the local health community. South Worcestershire PCT was a signatory to the final business case and raised no concerns at that time. That was the basis on which that was put forward.

There are important choices ahead for the local community. I am reliably informed that the intention is to discuss the matter further at the PCT's board meeting on 3 August. Ultimately, decisions about the local configuration of services are not made from Whitehall. I think that there is a degree of consensus about these issues. Among some of the extremely interesting reading that I was ploughing through last week I came across an interesting quote, which thundered

"we will stop trying to run the day-to-day health service from the desks of Whitehall".

That was a quote not from a member of the Government, but from the hon. Member for South Cambridgeshire (Mr. Lansley).

The hon. Member for Mid-Worcestershire made a number of constructive suggestions and I congratulate him on his engagement with local health professionals in structuring some of these proposals, which will be a valuable input to the board meeting on 3 August. However, I underline that the role of Health Ministers and the Department of Health is to secure adequate resources for funding the NHS and to set out the strategic framework for the NHS to work within. My hon. Friend the Member for Worcester mentioned the possibility and indeed the opportunity of provision for greater community capacity in and around Worcester. The Government will undertake an important public consultation on out-of-hospital care later this year. I encourage both my hon. Friend and the hon. Gentleman to be active players in that consultation, because as the future of health care changes, it is important to change the shape and nature of local health care provision.

Our policy structure allows decisions about local NHS services to be taken at a local level. It cannot be right for Health Ministers to stand in Westminster and write a prescription for what health services should look like in every community up and down the country. We have increased the funding for PCTs significantly. We have set the standards. It is now down to local PCTs to decide their local priorities. I look forward to hearing further news from South Worcestershire PCT as these plans are developed together with the local community, as it goes through the consultation procedures that have been set out over the weeks and months ahead.

11.29 am

Sitting suspended until half-past Two o'clock.

National Institute for Health and Clinical Excellence

2.30 pm

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): First, I know that other hon. Members are interested in the debate, which I am pleased to have secured. I know also that my hon. Friends the Members for Norwich, North (Dr. Gibson), for Bristol, North-West (Dr. Naysmith) and for Brighton, Kemptown (Dr. Turner) want to talk about their experiences with the National Institute for Health and Clinical Excellence.

I want to do four things: review the current situation; talk about and give examples of technology and different types of treatments and how they are dealt with; talk about related relationships within the United Kingdom, because NICE has an interesting relationship with the rest of the UK beyond England—there are organisations in Wales and Scotland that do similar work—and say something about how all that affects commissioners and delivery agencies; and assess how such issues affect financial efficiency, the making of changes and the improvement of standards.

Running through the subject is a second aim because two things are involved. One aim is to consider efficiency, process and practice when making changes, but that has to be done for a particular reason, because relative to all that are the human tragedies and journeys. Patients and families are people, so the second aim is to drive up the quality of their care by the efficiency changes, as well as efficiency being gained simply for its own sake.

I have had three Westminster Hall debates on the subject, and you will know from those, Mr. Cook, because you chaired one of them, of my interest in it. I became involved because there was, at that time, a huge incidence of cancer in my constituency and I had been looking at how to improve standards of cancer care. One thing that came to my attention was people's treatment in relation to anaemia and blood. As a consequence of that, I looked at how standards were applied for alternative technologies to blood transfusion, for example. That led me to NICE and the process of rationing in the NHS. Since then, I have asked 50-odd parliamentary questions and have had these debates, in the last of which, in July 2003, the then Under-Secretary of State for Health, Melanie Johnson, said of NICE:

"Central to our modernisation programme is the National Institute for Clinical Excellence, which we established to give clear national guidance on the use of drugs and other treatments. Its work reaches into all aspects of the NHS, from wider judgments on whether a new treatment is both clinically and cost effective, to assessments of what care is best for individual patients."

She went on to say:

"We set up NICE to tackle postcode prescribing and inequality, and it is central to our plans to modernise the NHS and drive up standards."—[*Official Report, Westminster Hall*, 8 July 2003; Vol. 408, c. 240–41WH.]

I could not demur from that, as that is a laudable set of aims, so why am I back here two years later? It is because of some reports that I heard in the Whitsun period after the general election. In the July 2003 debate, I was told that NICE was to receive extra money and resources to enable it to go from doing two appraisals a year to three, but I now hear that it is to move backwards and go from three appraisals to two.

Of the various reasons for that, the main one seems to be that because the Health Development Agency was assimilated by NICE in April, NICE has had to make a budget cut of £3.5 billion to subsume the new work and combine the two organisations. I am told that that is the reason for the change in the number of yearly appraisals. I do not know whether that is true. I understand that Ministers deny that there is any cut in the budget to NICE, but whatever is happening with the finance, the number of appraisals is to be reduced. A long queue of things, which are of great need to individuals in all our constituencies, were being assessed, but that has now stopped.

When I considered other treatments, such as drug alternatives to blood transfusions, an argument immediately started about how to assess the true and total cost. How do we assess true value in the NHS? I do not say that in an accusatory fashion, but I have observed that it is difficult for the NHS to value things in the way that I see them. For example, I get into discussions that are like a cross between metaphysics and linguistic philosophy. I might say, "Well, surely if you introduce this treatment, this will mean that someone can go home earlier. Therefore you will make an efficiency gain and a bed will be flung free for someone else to use." I am told, "Ah, now hang on a minute: what's a bed day? What's a bed? What's a day?" So no change is made because there is apparently no way of deciding what the real value is or whether efficiency is achieved.

There are organisations and engines that are supposed to help—apparently—the greatest of which, I have been told, is the National Institute for Health and Clinical Excellence. It was supposed to be a mechanism of change that could reconcile some of the problems, square a number of the circles and build a community of understanding of the real value of something. Now, however, I am told that the situation is as I have described it.

The number of appraisals has declined, and although NICE is supposed to help with such things, I was told in an answer to one of my questions that NHS circular 1999/176 says that, in the mean time,

"national health service bodies should continue with local arrangements for the managed introduction of new technologies where guidance from the National Institute for Clinical Excellence"

has not yet been issued. It went on:

"These arrangements should involve an assessment of the available evidence on clinical effectiveness."—[*Official Report, House of Commons*, 7 Mar 2005; Vol. 431, c. 1568W.]

That all sounds fine, but I am being told, on the one hand, that we need that engine of change and that it exists, but, on the other, that it is being reduced, although that does not matter because there is another process. The truth is that without NICE making a declaration there is no real agreement about money, which takes me back to the original response that I received.

The question is not only whether something is efficient in the sense of being effective as a medical treatment, but whether it is efficient in the sense that we should spend money on it. Without that, whatever the local arrangements, the budgets will not allow certain treatments. That is the power that NICE has because it

gives local people the ability to square the circles, and that is the problem. A lack of NICE guidance means that local arrangements cannot really apply, unless there is a magical way of finding money to make things work.

That is the background, and I shall give a few examples to demonstrate why a lack of NICE guidance is so important. Some new medical technologies and treatments are licensed and some are not. Hon. Members will know the argument that runs, "Well, there's this fancy thing that I've found on the internet, but I've been to the doctor and it's not got a licence." We all encounter such problems as constituency MPs, but in the NHS the problem is bigger. There are also licensed technologies and treatments that do not have NICE approval.

In the UK, to reduce both bed blocking, which is a huge inefficiency problem in the NHS, and waiting lists, thereby allowing patients to leave hospital more quickly, there is a set of treatments for wounds. There is a huge problem with MRSA. People have wounds in hospitals for different reasons—they might go in as a trauma case, for instance. However, there is now a technology that, I understand, works on a vacuum system—it is a machine as opposed to a drug—and is put on to the patient in some way. The wound is sealed up and kept treated. Multiple wounds are treated and the person is allowed to go home, rather than staying in an environment where they can get an infection.

If nothing else, the precautionary principle suggests that it would be sensible to fund that technology to improve efficiency in the health service and the quality of care for the patient. I am told that the MRSA rapid review panel—a different body again—looked at the technology and said, "But this is not a new technology. The only new thing about it is that it is portable. We will not, therefore, include it in our assessment of what might be useful in combating MRSA." If NICE cannot appraise it or has not got the time to do so, perhaps another body could. Perhaps that body could license its use—but apparently not.

Wounds can result in all sorts of things, and diabetics are probably most affected in that respect, as a result of ulcers, sores and so on. People in my community are in that situation. There is ill health in a number of forms in the Welsh valleys and similar communities, as a result of diet and the rest of it. People have to go into hospital, sometimes just for simple things such as foot ulcers. Those things can be treated in such a way that people do not have to remain in hospital and are not exposed to infections. Yet, it has not been agreed that this technology is the best process and the best practice. That is not because of the arguments about what is efficient and what is good quality care for patients, but because it does not fit with the budgetary processes.

A diabetic can end up with wounds and the rest of it, and the only treatment may be to amputate. Some of the treatments that are given in such circumstances go back almost to Trafalgar—Nelson would recognise some of this stuff. However, there is no need for these things to come about when there is a new technology that can avoid these problems in hospital and when people can be given better quality care that allows them to stay at home. There are examples of this technology being used. I know of a nurse in Scotland, for example, who has a problem and who is using the machine. She is out of hospital and back at home, so she is not exposed to extra infection. She is also back at work.

Another thing that interests me is that there is a budget for lopping off limbs, but no budget for introducing this machine, which seems barking mad in the 21st century. I do not understand how we can move from one position to the other without engines of change to allow us to do so. NICE is one of those engines of change, and every time I look at it, as a lay person trying to understand the edifices, the interest groups, the old boys' clubs, the reasons why things cannot happen and the budgetary processes, I see ever more clearly why we have arrived at this situation. It is obvious to me as a lay person that we should make the change, but we cannot seem to find a way to agree on that.

As I understand the figures, such a change could save huge amounts of money—billions of pounds. A study estimated recently that pressure ulcers alone account for £2 billion annually. That is 4 per cent. of the NHS budget. I have no difference with the Minister about the declaration of aims. If we look back at my previous debates, it is clear that we have always ended up agreeing about the need to move to European standards. We need to do all these things because we need to improve. I am told that mechanisms will be in place to help us to do that, but I find out daily that they are not. The mechanisms are dysfunctional and deficient, and resources need to be made available, but NICE is now getting fewer resources.

Perhaps all this can be explained away and I can be told that I am a naïve shaver who does not understand these things, but I have seen examples and I have mentioned them. I want to know when that technology will be properly assessed. If NICE cannot do the appraisals, when will it be considered? It seems relatively simple to do that, but there is no mechanism. That is completely ridiculous.

The other thing I have discovered is that there are different drug therapies and technical assessments of technologies. I am a lay person, so I simply look at things from a straightforward point of view. The wound technology is not a treatment—it is a machine, not a drug—and such technologies have to follow certain criteria. So there is a problem in getting technologies assessed, but once they are, there is a problem with the criteria—another barrier. Apparently, the assessment has to be done with a blind randomised testing procedure, because the patient is not supposed to know about it, but it is a little difficult not to know about it if a machine is strapped to your body. It might be possible to do that with a drug, but not with a vacuum pump. So once one hurdle is cleared, there is another. All those things are barriers in a process rather than equipment in the tool bag of someone working on the engine of change to ensure the progress that we all apparently want.

I should like the Minister to consider that problem, if nothing else. We need to think about the criteria used for technological and medical processes—in other words, drug or pharmaceutical processes—so that we do not end up with anomalies. Frankly, the criteria seem to be excuses for not making changes and not being able properly to see the value of such technology to society.

[Mr. Dai Havard]

I intend to deal with where the Treasury sits on the subject because the nurse who I mentioned earlier is still in work. She is contributing to society. She is not on benefit, does not need a carer and is not drawing the support that she would otherwise need. Her mental health and her quality of care are better. As a consequence, her family is better off. There are costs beyond the simple budgetary processes of the NHS, so it is not entirely an NHS matter. A wider understanding is needed of the value of such technologies, so that they can drive efficiency within the NHS and beyond, to the broader macro-economic benefit of the country. That is my experience of the examples that I recently found out about.

The differences between the various parts of the United Kingdom can be problematic. You, Mr. Cook, will understand that, as we have discussed it before. As a Member for a Welsh constituency, I know that a number of health matters are devolved, and I remember discussing whether we might have devolved arrangements in the north-east. Nevertheless, there is a relationship between different practices. I know that my hon. Friend the Member for Bristol, North-West has a particular view of the matter because he sits on the border between England and Wales, where there are several examples of different practices.

My experience is that NICE informs all decisions across the whole of the United Kingdom. It could be said that they apply in both England and Wales. However, that relationship became a little more disturbed recently because the NHS in Wales decided to put more emphasis on the All Wales Medicines Strategy Group, an equivalent organisation trying to do similar things. In Scotland, the situation might be slightly problematic for the Scottish Medicines Consortium; in the absence of guidance being adopted by the Scottish Parliament, the NICE guidance would apply.

The situation is simple. In England, if NICE makes a decision the funding has to come within three months. However, Wales and Scotland may not adopt NICE decisions in quite the same way, which is why those relationships and what they should achieve have been considered. However, the All Wales Medicines Strategy Group now makes decisions about licensed products in Wales; things happen within three months.

Other considerations are the number of appraisals that NICE can do and the various things that it can look at; indeed, the speed with which things happen is part of the argument. It seems that we have a group in Wales that is able to move more speedily than NICE, which covered the area before and made appraisals within three months. As I understand it, the Scottish medicines consortium takes a similar time, taking three months to evaluate something.

Patients in Wales can now get different types of treatment. NICE was set up for the purpose, among other things, of getting rid of postcode prescribing. That was the political declaration that was made. However, postcode prescribing happens not only in England, or even in parts of Wales or Scotland, but also, it would seem, between different parts of the United Kingdom.

Let us take as an example someone from Wales with rheumatoid arthritis. There is a problem with rheumatoid arthritis in Wales; in January this year agreement was given for a new anti-tumour necrosis factor drug, called Humira, to be used in Wales. The patient might go to a hospital on the border, in Herefordshire. Although a patient from Wales being treated in an English hospital would get the treatment, a patient from England being treated there might not get it because NICE has not come to the same agreement as the Welsh body.

The Welsh organisation can apparently act and assess matters more quickly than the English one. That is positive for me in Wales, I suppose. I could be challenged to say why I am complaining; the Welsh patient is getting the treatment, so what is the problem? However, what I have outlined illustrates the problem that exists across the piece: how do we evaluate and change processes? How do we decide on the best treatment and standard, the way to apply it and the way to follow the money?

I am told that the only thing that we can rely on is NHS circular 1999/176, which tells us, "OK, that doesn't matter, because if NICE has not appraised a treatment, things can still be done locally." I recently encountered an example from Birmingham relevant to that approach. A patient went to Birmingham for cancer treatment. That was fine; the treatment was great and the patient came back. I have a list of 10 drugs from the cancer network in Birmingham, which I can provide to the Minister later. What interested me is that without NICE having agreed standards for the drugs, the default position is that all drugs, including the 10 on the list, will not be prescribed unless and until it is possible to find—what is the phrase?—"a clinical champion".

When I saw that, I thought, "What does that mean?" Presumably it means finding someone with some dosh to pay for the drugs—someone who is able to juggle a budgetary process somewhere to provide the treatment. There is an understanding that the treatment is the best one, but it cannot be given. There is now almost a conspiracy. That is perhaps a bad word to use. There is a coincidence of understanding within the cancer network in Birmingham and among the commissioners, the primary care trusts. That is not my patch. I apologise to Birmingham Members; I just have that example and use it for what it is.

The situation may not be entirely as I understand it. However, it seems to me that the real message is that unless a series of agreements is struck elsewhere through NICE there is a problem, and the only way to cater for the need in question is to take a default position in which no one gets the treatment unless someone somewhere comes up with the money to pay for it and shows us how to juggle the budget.

That brings me to the point that I made earlier. It seems that there is a silo mentality. I do not know why the health economists in the Department of Health cannot find a way through. It seems that there is a budget for that and a budget for this, and there is no quick way to change the arrangements and move money with the patient. Yet that is what the declaration was about. There can be a budget for chopping off arms and legs but not one for the vacuum pumps, so we have amputations instead of pumps. There is a budget for transfusing blood but not one for pushing a drug alternative into someone. No way can be found to make the best decision. The only decision that can be made is

the one allowed by the process. That is why I want to make the point about the necessity for process change and my view of the system as dysfunctional.

I am quite happy to share examples of cross-border care with the Minister, but what I have outlined needs to be examined if those default positions are being adopted, and if that is what circular 1999/176 really means. It looks positive, and I am sure that it is positive in intention. It tells people that they can make the best arrangement locally. The truth is that they cannot, because the other processes will not allow them to. The circular can also be used negatively rather than positively, and people can go off and do their own thing. I suspect that it is being used as an excuse not to apply some of the NICE guidance, or to slow things down and find ways of avoiding it.

Perhaps I am being accusatory about things that I should not be, and perhaps I only half understand the problem, but these things warrant investigation and go some way towards illustrating the problems of the laws of motions that apply here. Does the Minister agree?

I return to the point about finance. In all this, there is a desire to improve standards of care. Indeed, the Government have made political declarations about improving standards of care and about spending money. In practice, we are spending huge extra sums, but there is tension as to whether the efficiency changes will come in concert with investment. That is what I am trying to get at. All those political declarations are fine and the actions are good; I simply feel frustrated that the practice on the ground is not delivering results.

The Secretary of State said at the NHS conference this week that it was paramount that best value was delivered and that every pound going into the NHS must deliver it. I agree entirely, but the politics are also important. The politics of the personal are important. Every day, I see individuals who could have a better quality of life but are not getting it. I see people who live in valleys who have difficulties with transport. Even the NHS has difficulties in transporting them from their properties to their places of treatment. If those people were treated differently, they might not need to make half the journeys that they make. They could be liberated by the quality of their care, and what they can do as individuals could change as a result of changes to the system.

Politics more broadly is important. The Government have declared that they will increase national insurance contributions by 1 per cent. to provide all this extra money for the NHS. I applaud that. That is exactly what we should have done, but we were going to get the efficiency gains that went with it. That is what I am questioning, because if we do not increase national insurance contributions and get those gains, the harpies will be on the wire saying, "You won't do it, and you'll have to raise taxation, Gordon." We see them there every day—the City scribblers who write in the press. We must address the problem whether we like it or not. We must have real change and real efficiency, not spurious processes.

I differ from the Government on how to effect that change. I do not believe that the market does it. We must drive the process if we want a real improvement in efficiency. That is how we save the money and improve the quality of care. We do not do that through managerial arrangements elsewhere. To me, that is a false notion. This is the guts of the argument if we are to improve health, deliver better treatments and increase efficiency.

Some of the problems are avoidable. I do not believe that, having put men on the moon in 1969, we cannot do this. Perhaps I am naïve, but I take that point of view. A woman who comes to my surgery with foot ulcers because she is diabetic is going through the whole process that I described when she does not need to. It is simply more efficient for the hospital not to see her. We have to find ways around this. How do we do that? I asked that question when I met the Minister, along with a delegation, to discuss another example of the problem. This warrants further examination by Departments working together.

This is the point at which I return to the subject of the Treasury. As you know, Mr. Cook, I served on the Defence Committee during the previous Parliament. In many ways, we had a similar debate. There was a huge overspend on defence budgets, and the Treasury said, "Oh well, we will have resource-cum-budgeting. We will have this, that and the other, and we will sort out all these problems by keeping stocks." Neither the Ministry of Defence nor the Department of Health is Tesco, however. It would be fine if we had a load of tins of beans on a shelf and we wanted to move them quickly and would not be punished for keeping stocks. That is one bit of the argument.

There is, however, something much more fundamental, which relates to process. I want standards such as resource accounting and budgeting or whatever the other mechanism is applied across the piece to find the engines of change, one of which I believe is NICE. One could advance a political argument against that, querying whether making a decision about medical efficiency and spending for a bunch of technocrats is a good idea. However, if such a procedure will deliver a change, I do not care about that, because political responsibility will still rest at the top.

Processes must be found to take such action. I hope that the Treasury will take account of the arguments that have been advanced today. Perhaps the Minister can promote a way in which all the Departments responsible for such matters are not subject to blame, but understand the reality of saying, "How do we make two things happen?". That takes me back to the first time that I spoke about such matters in 2002, probably under your chairmanship, Mr. Cook. At the time, I said that two outcomes could be achieved: step change and good, consolidated implemental change in the processes that deliver not only efficiency of spend, but quality of care, with standards being driven up for patients.

Frank Cook (in the Chair): Order. For the convenience of hon. Members, I wish to call to mind the fact that we start the first of the three wind-up speeches 30 minutes before conclusion of the debate. We are due to finish the debate at 4 pm, which means that wind-up debates must start in 29 minutes. I ask hon. Members to bear that in mind when making their contributions and also when accepting, and responding to, interventions.

3.2 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I am delighted to take part in the debate and will be as brief as possible. I congratulate the hon. Member for Merthyr Tydfil and Rhymney (Mr. Havard) on being granted the debate because it is important.

I refer the Chamber to two reports undertaken by the Health Committee in the previous Session, the first of which is the report on the National Institute for Clinical Excellence in 2001–02. The second report concerns the pharmaceutical industry inquiry that the Health Committee has just completed. The first inquiry led NICE to be much more open in its work, to put itself before the World Health Organisation for a review and to be much more open with the bible that all doctors carry, the "British National Formulary", in which NICE recommendations are now summarised, a huge help.

The second relevant report is the fourth report of the Health Committee, undertaken in 2004–05. The Committee inquired into the pharmaceutical industry and the report gives a useful summary of NICE and its work. It defines technology appraisals, clinical guidelines, cancer service guidelines and interventional procedures. It states that NICE publishes about 25 technology appraisals, 12 clinical guidelines and 60 pieces of interventional procedures each year. That is all it can do. I completely support the hon. Member for Merthyr Tydfil and Rhymney (Mr. Havard) and agree that NICE is limited in the amount that it can do. The fact that it is taking on extra work is a bit of a disaster for its future work load.

I wish to concentrate briefly on some current concerns. I am sure that we have all been bombarded with letters about the drugs for dementia. Although NICE reviews cold, scientific evidence, there must be a place for the human element by which to take account of the value to the patient and carer, which, sadly, cannot be measured. Another worry is the inequality of availability of recommended drugs.

The hon. Member for Merthyr Tydfil and Rhymney touched on that; he referred to anti-TNF drugs, which are vital for patients with rheumatoid arthritis. I am delighted to be able to inform the House that NICE has approved them in England. The problem is that some primary care trusts do not have enough money to follow the NICE recommendation. Those drugs are very important. One of my rheumatologists has about 80 patients on them, 75 per cent. of whom have been absolutely transformed; they no longer rely on piles of drugs, and they are mobile again. That sort of drug is crucial.

That point brings me on to the prioritisation of assessments by NICE. Somehow, potential major advances must be fast-tracked so that they become available sooner. Let me give an example from the past to illustrate that. Herceptin is a crucial drug for a relatively small group of patients with breast cancer; in my opinion, it is far more important than drugs for influenza, but I do not think that it was fast-tracked in any way. The anti-TNF drugs are also very important; much more important than the COX-2 inhibitors, which were the drugs that were supposed not to have any side effects for people with rheumatoid arthritis.

This is where there is tremendous conflict with the pharmaceutical industry and the Health Committee report tries to crystallise that. To remain viable, pharmaceutical companies have to make profits and recoup their costs, and there have been press reports recently of the United Kingdom drug industry calling GPs luddites for being slow and a little conservative in introducing new drugs to medical practice. Therefore, there is a conflict, and the Health Committee report makes several recommendations. One of them is

"that consideration be given to limiting those who can prescribe a new drug in the two years following launch. Drug and Therapeutics Committees would be well-placed to implement this."

So, the Health Committee feels that the rapid, explosive liberation of a new drug is, perhaps, not the best thing. I was brought up by a very conservative and very senior physician who was around when rheumatoid arthritis was first treated with cortisone. Patients who took cortisone appeared immediately to be cured by it, and it was only after a few months that it was realised that that was all an illusion and that they were in fact made very much worse.

A later recommendation is also crucial:

"New drugs that might represent significant advances should be fast-tracked through these—

drug and therapeutics—

"committees."

That is because those committees are much more widely spaced than NICE, and they can review and give wise advice, provided that they are all of the same high standard as some of the committees that we saw during our inquiry.

On the way that NICE is used, let me read out another quote from the report:

"The Department of Health asks the Institute to look at particular drugs and devices only where the availability of the drug or device varies across England and Wales or where there is confusion or uncertainty over its value."

Therefore, it does not have to look at all drugs and, hopefully, drug and therapeutics committees in trusts and hospitals can provide a great deal of the input that is needed.

I would like NICE or the Department of Health to address some ridiculous situations. One has arisen, particularly with the non-steroidal anti-inflammatory drugs since the revelation that the new, selective ones, including Vioxx, can lead to cardiac problems. Unbelievably, other NSAIDs have been examined and have also been shown to cause a risk of cardiac problems. Ibuprofen, which has been around for 40 years and has been the mainstay of anti-inflammatory treatment is now found to be not free of cardiac risk. Walking along a road is not free of risk, neither is driving a car, nor is going on the tube, but we do so. We must guard against some purist scientist or safety expert taking away a lifeline of chronic rheumatoid patients like this, rather as Coproxamol has been removed because of the risks of abuse.

I have a final plea. NICE carries out valuable work, but it acts too slowly and covers only a proportion of the drugs available. The Health Committee recommends increased funding for NICE to allow it to evaluate more medicines more quickly. The consequent improvement in prescribing standards should make such investment cost-effective.

3.11 pm

Dr. Ian Gibson (Norwich, North) (Lab): Thank you, Mr. Cook. Just watch me go.

I congratulate my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Havard) on securing this debate. I am sure that you are delighted too, Mr. Cook, given your sterling work on laser eye surgery in the previous Parliament, which will continue into this one.

From my point of view, and that of many others, thank goodness we have NICE; it would have been a lot worse without it. Although we are feeling the frustrations all the time, we are getting some decisions out of it and we aim to improve those decisions, both their number and the areas that are investigated. NICE has a huge agenda, comprising medicines, medical devices, diagnostic testing, surgical procedures and health promotion, but most of its time is spent with medicines and medical devices get a little share of its time and energy. However, in the past 18 months NICE's interventional procedures advisory committee has come up with lots of sets of guidance so that it is on the move. Our job is to ensure it gets weaving and gets a faster move on.

The frustrations are not just being mentioned here today, but are out there in the community, with the people who practise medicine and use the devices, and particularly with patient groups, which are well informed about these issues. Hon. Members will know that last week at the NHS Confederation conference the Secretary of State for Health said that there are three big challenges in our time:

"Putting patients first"

—it is important that we are making politics do things—

"transforming the whole service that people receive, and engaging all our staff."

I think that all hon. Members are glad that these will be the priorities.

CancerBACUP, which could be described as the scourge of NICE, has been going for a long time—Relenza was the first campaign that we all got involved in—and is continually pushing on, through Taxotere and other cancer drugs, and supporting many patients. Its latest dossier—"A Dossier of Delay"—says that additional delays are unacceptable and it is calling for NICE to introduce a system of fast-tracking for cancer treatments that have shown significant results.

The dossier illustrates 10 new cancer treatments that CancerBACUP thinks should be made widely available to patients and is trying to encourage those to be looked at. It has been told that it will have to wait for one to two years before some of the drugs are used.

The same is true for medical devices. We know now that there are stents and catheters made of certain alloys that prevent hospital infections. MRSA is not the biggest hospital infection of patients, and catheters are one way in which hospital infections have been reduced. There has been a long delay after the approval of a certain catheter before getting it into service. Lots of things are going on in that area.

Last week I saw a woman—she works for "Newsnight"—who has back pain, which is a formidable problem for many people. There is now a bionic arm that can manipulate the spine much better than the human hand, and it can give great relief. I notice that, in the United States, the Food and Drug Administration approved that hand in no time at all; it got on and did it, and it is bringing great relief to people.

Many other devices are coming through, and one of the biggest is positron emission tomography scanning, which is used to scan the heart. That gives us knowledge about what further treatment should be given, and can be used for brain scans, cancers and so on. That is more readily available in the private than the public sector. I live for the day when everyone gets a PET scan for free in this country. It is expensive, but it gives people the chance to get further treatment, and it prevents many things from happening.

While that is all going on, we are worried about lifestyle illnesses, such as obesity and smoking. Those issues are taking up a lot of time, and prevention is getting much more of a hearing than ever before. I welcome that; because of it, down the line less money perhaps will be needed by the health service for such problems, and so we will have more to make these devices available.

I feel that we have a future ahead of us, but there will be more and more devices, and more pressure for them to be looked at. As I say, NICE has got to get weaving. When nanotechnology sets in across the world and in this country there will be an explosion of new devices in this area. I say to NICE, "Please, carry on the good work, but you will have to increase your resources, your number of people, the number of appraisals you make and so on, so keep the pressure on. Stop sitting back and saying that you are doing a good job but are under pressure; we want more." We need that evidence-based medicine; it is out there and available, and we politicians have to open the door so that it can be introduced.

Frank Cook (in the Chair): Thirteen minutes available, and two Members bidding. I call Dr. Naysmith.

3.17 pm

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): I congratulate my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Havard) on calling for this debate, which could hardly be more timely. *[Interruption.]* I am dropping a big chunk of my speech, you will be glad to see, Mr. Cook.

Like my hon. Friend the Member for Norwich, North (Dr. Gibson), I have been a supporter of NICE since it was set up. If used properly, it offers the opportunity to combine evidence-based medicine with evidence-based politics, something that is not always achieved, even in this House. There is no doubt that NICE has contributed enormously to rational decision making in this country since its inception. There is good reason to believe that many other countries have looked at the NICE methodology and have set about adopting something similar. The occasional controversy has only strengthened the case for continuing with NICE; if its findings were never controversial, it would suggest that all it was doing was bureaucratic rubber-stamping, and I do not believe that that has been the case.

I want to talk a little about myeloma, partly because I am a supporter of the International Myeloma Foundation UK, which this very week celebrates its

[Dr. Doug Naysmith]

seventh awareness week. The organisation has campaigned for some time for faster access to the latest treatments for people with myeloma. It is right to speak about the subject in this debate, partly because there is currently controversy about a drug believed to be of importance in fighting this disease.

Myeloma has been under-recognised for years, and only in the past few years have there been dramatic advances, with treatments that promise significantly to improve patients' quality of life, halt progress of the disease and improve chances of survival. A recent example is Velcade, or Bortezomib, which is the first treatment to be licensed for myeloma in over 10 years. The All Wales Medicines Strategy Group recommended the use of this drug in NHS Wales earlier this month, pending ministerial ratification. The treatment has also been made available in Scotland, following approval by the Scottish Medicines Consortium last year. Unfortunately, this treatment is not due to be reviewed by NICE until its 12th wave work programme, and therefore is unlikely to be appraised until 2007 at the earliest. That will be too late for many people who currently have myeloma and could result in a disparity of access between England and its neighbours. Such delays with NICE appraisals send confused messages to cancer networks and primary care trusts, which refuse to fund treatments in the absence of NICE guidelines, as we have heard.

It has recently been reported that all the PCTs in Birmingham are also refusing to fund Velcade, and a number of other important cancer treatments yet to be approved by NICE, on those grounds. In other areas of England, such as the Thames valley, there is a wide disparity of access between those who can get it and those who cannot. Surely that is an unacceptable and unfair situation for patients suffering from rarer cancers in England and demonstrates that change must take place, perhaps in the way in which NICE appraises treatments. Possibly more importantly, there needs to be an increase in the new organisation's capacity, which seems unlikely if its funds are reduced for whatever reason.

We need to put more resources into the new organisation, not less. As was pointed by the hon. Member for Wyre Forest (Dr. Taylor), who is a fellow member of the Health Committee, NICE has been studied twice by that Committee. On both occasions, it recommended increased capacity and increased funding. In 2002, it said:

"This may necessitate an increase in NICE's capacity and/or a change in its organisational structure".

In a more recent report, it said:

"We recommend increased funding of NICE to allow it to evaluate more medicines more quickly. Consequent improvement in prescribing standards should make such investment cost-effective."

I am not too sure about that last statement, but I am sure about the first.

Frank Cook (in the Chair): There are nine minutes remaining.

3.21 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): I, too, congratulate my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Havard) on securing this debate. This is an important topic, because it is vital in terms of achieving the aim that we set out when we came into Government in 1997 of ending postcode prescribing, and getting best practice and best treatments made universally available in the health service.

I want to declare a personal interest: I am the beneficiary of an example of medical technology, without which I would not have been able to carry on as an MP. I can think of two other Members who are in the same position. Just over 10 years ago, I was finally diagnosed with osteoarthritis in the hip.

I was refused any treatment by an orthopaedic surgeon, who, when I was eventually seen, said, "Well, you got in my office without a stick. You are not bedridden. You are not dosing yourself up to the eyeballs with painkillers. Go away. Come back and see me in 10 years when you are completely crippled." That was effectively what happened to anyone who was not aged 60-odd and severely crippled.

The situation was making life impossible, and I read about a new treatment that had been developed; metal on metal arthroplasty. It is more popularly known as Birmingham hip resurfacing or the McMinn prosthesis. It is quite different from a total hip replacement. It works marvellously, has a 30-year expected lifetime and is virtually impossible to dislocate, which means that I have taken up fencing again. That was how I damaged my hip in the first place. Anyone who knows about fencing will be aware that the movements involved would immediately dislocate any normal total hip replacement.

I could not get that treatment on the NHS—I am talking about a time before NICE, obviously—and I was very miffed. It went well against my principles to go to private medicine, so I had the operation done by McMinn, who led the team that developed the treatment. When I got into this place and when NICE was formed, I wanted that treatment available on the NHS. I agitated for it to be studied by NICE. Its response was to do a study of total hip replacements and it swept the McMinn prosthesis into that study. That, of course, was a disastrous thing to do. It was like comparing apples and doughnuts; they were so different that there was absolutely no point. It would have been disastrous to have had it in that study so it was finally made the subject of a separate study.

There was then the problem of NICE's methodology for considering technologies, as opposed to drugs. My hon. Friend the Member for Merthyr Tydfil and Rhymney has already referred to it; NICE operates with the mindset appropriate for a double-blind clinical trial. That is fine for drugs, although double-blind clinical trials are done as part of the licensing process. All NICE has to do is agree that a drug is effective and that the trial results are okay, and consider cost-effectiveness; those are the only decisions that it has to make.

However, there are clearly no double-blind clinical trials for technology. NICE set out to study the Birmingham hip by saying, "We shall do it as if it were a clinical trial and compare it with watching and waiting." Setting up a clinical trial on that basis would be totally unethical because patients—even in a double-blind trial, they would know whether they had had an operation—

would be offered the choice of having a treatment that would give them their bodies back or having a painful time. Clearly, that would go against all ethics.

However, NICE used that mindset as the basis for its cost-effectiveness calculation. The only things that went into that were the relative costs of the operations—it got that wrong, because the cost was exactly the same as with the total hip replacement—and the benefits. It would be difficult to compare the benefits enjoyed by people getting the Birmingham hip with those enjoyed by people who had had total hip replacements, because the people getting the Birmingham hip would not be having THRs and would be a younger and more active cohort. There is just no comparison.

A sensible, holistic approach to cost-effectiveness would take into account the impact of immobilisation on health. Immobilisation certainly had an impact on me; I put on two or three stones, and have never been able to get them off since, because this place does not leave me with time for the violent exercise I need to keep my weight down. That obviously impacts on blood pressure, cholesterol and the chances of developing coronary artery disease.

Obviously, there is a cost—it may run to many thousands—to the health service as a result of that. In the long run, it is clearly much cheaper not to have to treat a patient for coronary heart disease, and that disease can be avoided by restoring a patient's activity at an earlier stage in life. The cost-effectiveness calculation did not take such things into account. When the provisional assessment came out, it was going to deny the use of the treatment. There was a bit of to-ing and fro-ing. We finally got it, and I am happy to say that now the treatment is approved.

However, NICE anticipated that about 5,000 of the operations would be carried out, and was worried when the number turned out to be 14,000. Any rational person might think, "If that is not an indication of success, I don't know what is." There is a problem with NICE's approach to technology assessment, and it needs to be looked at carefully. Part of the problem is that NICE is underfunded and cannot afford the correct people to do assessments. It tends to farm work out for very low fees to university departments, which will use the most junior postgraduate student around. One gets the results that one pays for, if one is not careful, and that is only one of NICE's problems. Do not get me wrong; I support the principle behind NICE wholeheartedly, but I think that we need to get it absolutely right.

There is also the question of NICE blight; I had it, and many people still do. It relates to drugs. In the case of drugs, the pharmaceutical industry calls NICE the fourth hurdle, and I do not like to hear it described in that way. We need to speed up and systematise all of these assessments, and after that we have to eliminate the seasonal prescribing that occurs when NICE has made a recommendation that should be available but PCTs are running over budget. Those problems have to be ironed out before we can finally get to where we want to be.

3.30 pm

Steve Webb (Northavon) (LD): We all agree that it has been a worthwhile debate this afternoon, and I congratulate the hon. Member for Merthyr Tydfil and Rhymney (Mr. Havard) on bringing this important subject before us. There is a good deal of support throughout the House for the principle of NICE. It has to be right that such assessments are conducted systematically and free of political interference as far as possible, and that guidance should be made available throughout the health service.

This afternoon we have heard examples of where that process is not working as well as it should, and I want to refer to that aspect this afternoon. We heard the hon. Member for Merthyr Tydfil and Rhymney mention the discrepancies between England and Wales and we heard from the hon. Member for Bristol, North-West (Dr. Naysmith), my constituency neighbour, about treatments available in Scotland.

I want to cite one such example. The chemotherapy Taxotere was licensed in January 2005, a couple of years after the data were first presented. Guidance from NICE in England is not expected until February 2007, but guidance from the Scottish Medicines Consortium is expected this autumn. The important question here is why we are getting a different answer in Scotland and Wales. Some things should be devolved, but some things should not be. It seems crazy to me if there is unnecessary duplication, different bodies doing the same work on different schedules. In a sense, Scotland has every right to decide what its drug priorities are, but that is a different question to that of whether something is a cost-effective treatment or not.

The Government should ensure, perhaps in co-operation with the devolved Assemblies, that we minimise duplication and, for example, where the Scottish Medicines Consortium has looked at something, NICE should be able to piggyback on that, and vice versa, to try to ensure that a treatment agreed to be cost-effective and clinically effective is available as broadly and as quickly as possible.

We heard some of the problems of assessing new technologies, but I want to focus on the assessment of new drug treatments. We heard from the hon. Member for Norwich, North (Dr. Gibson) about the campaign by CancerBACUP and some of the treatments it has mentioned. Herceptin has been very much in the news and CancerBACUP is concerned that it could be 2009 before that treatment is widely available—four years hence—despite the growing body of evidence of its potential effectiveness now.

The merger of NICE and the Health Development Agency raises a fundamental issue of resources. I have tabled questions, as has the hon. Member for Merthyr Tydfil and Rhymney, about the resourcing of NICE. The Government's answer is a bit paradoxical; they do not quite say, "NICE is nothing to do with us", but they do say that it is up to NICE how it spends its money. If NICE has decided that it does not have the money to run three appraisal committees, but only two, and if NICE is saying that it will take an extra four months to assess some cancer drugs, it is not good enough for the Government to wash their hands of the issue and say, "That is not a matter for us, it's up to NICE." The Government need to take responsibility for such matters and if the system is not properly resourced, they need to ensure that it is.

There are a range of drugs where there are delays in the system, and one suggested possible alternative is whether, for example, a treatment that is pretty

[Steve Webb]

uncontentious should necessarily take its place at the back of the queue, or whether there should be a fast-track option for treatments that most people can see make a lot of sense. We would also need to work out whether that would reduce, as it were, the greatest good of the greatest number. Trying to weigh up the competing claims of a cancer sufferer of one sort and a cancer sufferer of another is a very difficult business, but if there are treatments that everyone understands would go through pretty quickly, making them wait may not be a good idea.

I would be interested to hear the Minister's comments on running the licensing of new drugs and the NICE appraisal of new drugs much more in tandem, rather than having a sequential process whereby, first of all, the licensing procedure happens and then the appraisal starts. Perhaps a lot of the appraisal could be done at the same time, avoiding duplication of effort, probably much more cost-effectively. I imagine that things of this sort are starting to happen, but I do not sense that it is the norm. I hope that the Minister looks into that.

There are some aspects of what NICE does that are transparent, and that is welcome. One of the things that is not terribly transparent, however, is how the Government determine the work programme for NICE. I hope the Minister will respond positively to the suggestion that there might be better parliamentary scrutiny of what goes on the list in the first place. Once NICE is looking at these different drugs, we will see what is going on. Yet how does something get into their in-tray in the first place? How far does this place scrutinise that process? We do not want politicians deciding which drugs work and which do not but, clearly, as representatives of our local communities, we might well want to have a say in which drugs might be examined first, at least. That is a legitimate area of democratic accountability.

I was interested in the comments of the hon. Member for Wyre Forest (Dr. Taylor) about the issue of the speed of take-up of new treatments once they have gone through the NICE process. Certainly, coming to this cold, my assumption was that once NICE has said that something works and is cost-effective, we want people to get on with it. His suggestion was that perhaps we do not want people to get on with it, and should be a bit cautious. His example of cortisone was from the days well before NICE; had it been through a NICE process, some of the worries about effectiveness would have been dealt with in advance. Perhaps, however, I can discuss that with him outside this Chamber.

The hon. Member for Wyre Forest also mentioned dementia treatments. I hope the Minister can give us an update on that. It is an interesting case study, because it is one where, as politicians, we think NICE gave the wrong answer. We have all heard from local Alzheimer's groups and individuals who are very worried that treatments might not be available. We feel, particularly because of the concerns of carers and people with dementia, as the hon. Gentleman mentioned, that we want them to have the treatment. The Government seem to have responded to that political pressure by, if I can put it charitably, deciding that perhaps NICE was not asked quite as complete a question as it might otherwise have been. My feeling is that if NICE is not being asked complete questions, which it probably is not, we should not just ask them when there is a big fuss, but should do so systematically. I wonder whether the Minister has any views.

NICE is asked to assess drugs. An economist thinking in terms of cost-benefit analysis would say that we need to ensure that it is looking at the really big picture. The hon. Member for Merthyr Tydfil and Rhymney hinted at this; there is a danger that if we are looking at silos—individual budgets here and there, local and national budgets, budgets of different Government Departments—we will not see the big picture. Surely something like NICE can do precisely that. I hope that that will not be just in the case of dementia drugs but, more broadly, that NICE will say that a treatment is cost-effective in the broadest sense, taking into account the whole range of what the public sector spends and, indeed, intangibles. Obviously, there are techniques for trying to put a value on the benefits to carers of the people they are caring for getting proper treatment, and for trying to factor that in.

I do not think anybody is here to criticise the principle of NICE. I think most of us would want to see a better funded NICE, and Ministers not washing their hands of responsibility for it. We would want to see systematic answering of big questions, not just very narrowly-defined ones. We would like to see a lot more transparency in how the work programme of NICE is determined, involving all of us in that process, while accepting their right to be independent, scientific analysers, free of political interference.

3.38 pm

Dr. Andrew Murrison (Westbury) (Con): I congratulate the hon. Member for Merthyr Tydfil and Rhymney (Mr. Havard) on securing the debate. It is an important debate, and an important organisation. There is cross-party support for NICE. Since 1999, it has served a very good purpose. My party certainly hopes that it will continue to do that, perhaps in an even more positive way. It certainly marries very well with our plans for health care in this country. So we wish it a fair passage, and very much hope that the Minister will take any criticism that we may have in good heart, perhaps as constructive criticism.

There are problems, however. We have touched on excessive delays, which are of greatest concern to our constituents in respect of this particular body. CancerBACUP has done a fantastic job of tabulating in a dossier—certainly not a dodgy dossier—the delays experienced in appraising a large number of cancer drugs. Time does not allow me to go through the whole list, but I am sure that during the past few days hon. Members have received that list in their mailbags. I suggest that they, and the Minister in particular, study it carefully and compare the dates for which treatments were licensed for various cancer types with the expected dates for NICE to publish its guidance. They should then consider what that means in terms of lost opportunities for treatment of many people with cancer.

It falls to us to examine why NICE is not operating as efficiently as it could. Is it due to lack of resources? The Minister said on 8 June that it was not and that NICE

was adequately resourced. We must explore other reasons why NICE guidance is not coming on line as rapidly as it ought to, and it behoves us to consider other, similar systems of analysing medication and health care technologies. All we have to do is look north of the border to the Scottish system and the Scottish Medicines Consortium, which was set up at about the same time. It will consider an intervention in three months; NICE is taking 12 months. We must consider why the Scottish system can issue its guidance so much more rapidly. The answer seems to be that the Scottish system produces quick and dirty assessments—if it is not too pejorative to say so—of the technologies and treatments for which there is no huge amount of controversy, and for which there is a general acceptance that they are good and beneficial. The Scottish system has not gone to the huge lengths that NICE has to approve some treatments.

It would be reasonable for the Minister to consider whether, given that there is no vast difference between the appraisals produced by the two systems, we might adopt more closely the Scottish model. At the very least, closer co-operation between the Scottish Medicines Consortium and NICE would be useful. The hon. Member for Northavon (Steve Webb) touched on the point that we appear to have two parallel systems in what is, despite the devolved settlement, essentially the same system. That seems to me, and I think it would seem to most of our constituents, somewhat inefficient. I hope that the Minister will comment on that.

Although NICE is not that old, we see some early signs of ossification. There appears to be no mechanism for re-scheduling or re-prioritising. We must appreciate that medical research moves far more rapidly than NICE is able to consider its guidelines. One particularly good example of that has been anti-Alzheimer's drugs. Research during the past few months has shown that the drugs affect the condition at a bio-chemical level, and that the number of brain cells killed in the process of Alzheimer's disease are reduced as a result of the use of anti-Alzheimer's drugs. However, we see no reflection of that in the determination made by NICE. I wonder if NICE's structure is insufficiently flexible to incorporate research as it comes on stream. The structure seems to be far too retrospective, and it would be interesting to know how it could it so that it is more reactive to research.

I am sure that hon. Members will have received in addition to CancerBACUP's useful contribution to the debate, the Alzheimer's Association's response to NICE guidelines on anti-Alzheimer's drugs. I share the concern expressed today by several hon. Members that the question of cost-benefit analysis—how much it costs and who it benefits—has not been precisely explored by NICE in connection with that range of treatments. In particular, we see precious little reference to the benefits to carers, for example. Most health economists would say that that is a relevant consideration. Over the past few years, Ministers have made great play of their concerns for carers. It is extraordinary that the benefits that undoubtedly accrue to carers from this range of drugs have not been incorporated in the guidance. Given the concerns expressed by carers' organisations, I very much hope that the Minister will comment on the issue.

Concern has been expressed about the lack of transparency in the pre-appraisal and scheduling of NICE assessments, and I am talking here about the work that is given to NICE. Clearly, NICE's considerations are not political, and rightly so. Indeed, that is one of its charms. However, the work that is fed to it clearly is politically influenced, and there is a lack of clarity and transparency at that stage. The Minister might like to comment on how she sees us improving clarity and transparency. Perhaps she can illustrate her point by commenting on the 12th wave of appraisals. When will they be presented to NICE? Perhaps she would like to share with us what that 12th wave might contain. What will be the justification for inclusion in or exclusion from it? Presumably, it is on her desk at the moment.

We have seen a little in the press recently about the part that the so-called citizen's council plays in the NICE process. I think that we all agree—I hope that hon. Members see from my comments about carers that I certainly do—that patients and carers need to be involved fully in NICE appraisals. They have a legitimate voice, which must be heard.

The more excitable elements of the media may have deliberately misunderstood that organisation and they seem to be suggesting that it is engaging in ageism. I am sure that the Minister would join me in condemning any ageism in NICE appraisals, while accepting that certain interventions are beneficial for certain age groups and that that is a legitimate concern for NICE. I hope that she will also condemn the notion that people who are elderly and who have fewer years left to run are therefore less deserving of certain treatments, as the media have suggested in the past few days. I am sure that we would all condemn that Robespierre version of citizen's councils.

Finally, it would be useful to hear the Minister's comments about improving the uptake of NICE guidelines. We have heard mention of the drug Herceptin, and NICE has produced guidelines on its use in metastatic breast cancer. NICE's investigation into whether it might be beneficial for earlier-stage breast cancer is some way down the track. None the less, it issued guidelines on the use of Herceptin for metastatic breast cancer very early on; indeed, it was about three years ago. Yet, cancer networks in some parts of the country are making the drug, shall we say, less than fully available. Surely, that is not acceptable, given that they have now had three years in which to implement the NICE guidelines. It would be interesting to hear how the Minister feels we can improve practice so that NICE guidelines—when they eventually emerge—are fully implemented.

Finally—this really is my final remark—we need some comments on the 1999 health service circular referred to by the hon. Member for Merthyr Tydfil and Rhymney. It appears to have been used to indulge, to a certain extent, in a postcode lottery, particularly in relation to Taxotere. It would be interesting to hear whether the Minister has audited the effectiveness of the guidance that she issued at that time, because it seems not to have been fully implemented.

3.49 pm

The Minister of State, Department of Health (Jane Kennedy): Mr. Cook, I was right in what I said prior to our debate; my hon. Friend the Member for

[Jane Kennedy]

Merthyr Tydfil and Rhymney (Mr. Havard) is indeed a serial offender in securing these debates. I welcome the opportunity to listen once again to what is clearly a professionally well informed debate. I appreciate that my hon. Friend has a keen interest in health issues, especially those where he feels that guidance from the National Institute for Health and Clinical Excellence would be of benefit. However, as a new Minister, if I had just picked up on the tone of this debate—the gloom, the disaster, the chaos that has been described—I might have been forgiven for running screaming from the Room. A new Minister might be dismayed if what has been described were the case, but, on the contrary, I regard this as a really exciting time to be invited to take on this brief.

I accept that there are concerns about the operation of NICE and the wider picture and I will focus on that, rather than being drawn into some of the individual examples that have been offered. Before I go any further, I welcome the hon. Member for Northavon (Steve Webb)—it is good to see him in his new role; he is following me across Departments—and I also welcome the hon. Member for Westbury (Dr. Murrison) to his position speaking for the Opposition on this subject. I welcome his constructive approach and look forward to debating these issues with him. Both hon. Gentlemen raised an important point, which I want to study further, about devolution and the way in which these processes and procedures are working across the devolved authorities. I am interested in that and wanted to acknowledge it.

A quick question was asked by the hon. Member for Westbury about the 12th wave. That is under consideration and he is quite right; it is on my desk as we speak. I cannot give him an exact timetable, but it will be submitted to NICE very shortly.

I will come on to the concerns that were raised about the transparency of the process and the procedures. There are concerns about how topics are selected for referral to NICE and there is not always universal agreement about the priority of the topics that are referred. However, this area is given careful consideration. The topic selection process involves a wide range of individuals, including representatives of professional and patient groups, the pharmaceutical industry, the NHS, NICE itself and Department of Health officials.

The views of all those groups are taken into account in deciding which topics should be referred to NICE through the wave process. All the parties involved consider the suitability of the potential topics for referral against the published selection criteria, taking into account first the available evidence base, secondly, the likely impact on NHS resources and, thirdly, the relative priority of the topic against strategic issues. Nothing is referred to NICE capriciously, and I know that nobody is suggesting that.

I accept, too, that the topic selection process could be faster and that matter is subject to ongoing review by officials in the Department of Health and by me. We are already looking into ways in which the process could be shortened, whether it could include greater NHS and public health representation and whether it could be more flexible. I am pleased to say that some changes have already been introduced; for example, referring clinical guidelines to NICE earlier in the process. We should see benefits flowing from that.

My hon. Friend the Member for Merthyr Tydfil and Rhymney asked three important questions. He pressed me about the move from three committees to two. I understand that NICE expanded from two to three appraisal committees about two years ago. The expansion was made on the basis of an anticipated significant increase in the number of new technologies that would need appraisal and would be referred by Ministers. However, the expected expansion in referrals of new technologies has not been as significant as NICE thought and the three appraisal committees have not been working at full capacity. I can tell by my hon. Friend's face that he has a degree of scepticism about my reply.

I will turn to the other issue that my hon. Friend raised; his suspicion that there are budgetary reasons for the change. The reason why I gave the answer that I did—about how NICE organises its resources—was not because I wanted to duck responsibility. Let me quickly explain the budgets. Rightly, my right hon. Friend the Secretary of State talked to the NHS Confederation about finances last week. It is important to remember that all this work is going on in the context of a threefold increase in the resources available to the NHS globally by 2008. It is always in that context that I address representations about organisations needing more resources.

The 2005–06 budget for the new National Institute for Health and Clinical Excellence—following the Health Development Agency joining it on 1 April—is £29.9 million. Members might like to know that the previous year's funding for NICE—without the HDA—was approximately £19 million, and that the HDA's budget was about £12.5 million. It does not take much to work out that if those two sums are added together we get a total of £31.5 million. One of the reasons for bringing these two organisations together was to achieve administrative savings that could then be ploughed back into front-line work. That is what has happened.

Sometimes, the reason given for not funding treatments, medicines or devices is lack of resources. That is not exactly an excuse, but it is a way of ducking decisions at strategic health authority level. We will carefully look into that, because I take very seriously the concerns that we might be reintroducing a different kind of postcode variability in treatment. We must examine the effects of what we are doing.

As always in important debates, I have not got enough time to say all that I wish to say. I have spoken about the topic selection process. The hon. Member for Wyre Forest (Dr. Taylor) referred to the World Health Organisation report. I want to quote from another section of that report. The WHO recognised:

"NICE has developed a well-deserved reputation for innovation and methodological developments that represent an important model for technology appraisals internationally".

Its report went on to say that NICE is

"a leading agency in technology assessment",

and it particularly praised "the transparency" and "inclusiveness" of the appraisal process, as well as "the commitment" of NICE and its partner organisations.

The fact that NICE's processes are so thorough raises the question of the effect on the uptake of new medical technologies in the interim period while the publication of NICE's recommendations are awaited. The Department of Health has issued guidance to the NHS advising that health bodies continue with local arrangements for the managed introduction of new technologies. My hon. Friend the Member for Merthyr Tydfil and Rhymney raised this matter.

NICE's procedures may well not always be the most appropriate route to take for the appraisal of some new technologies and treatments. My hon. Friend the Member for Brighton, Kemptown (Dr. Turner) described an experience he had; that might be—I am not suggesting that it definitely is—an example of a treatment that, as he said, could have been dealt with in a better way than it was. He described his experience in detail, and it is precisely that sort of experience that a Minister gets benefit from in these sorts of debates.

A number of Members talked of the improvements that have taken place. That is one of the good effects of NICE. There has not just been one long catalogue of problems and inefficiencies. For instance, there was a 1,000 per cent. increase in the space of 12 months in the use of two drugs for ovarian cancer—I am not even going to attempt to pronounce them, given my last experience—following the publication of NICE technology appraisals. It is not unusual for there to be that sort of increase following the publication of NICE recommendations.

We should go back to the issue of what should happen in the meantime. The Department of Health has made things clear to health authorities—

Frank Cook (in the Chair): Order. We must move on to the next debate.

A47

4 pm

Mr. Anthony Wright (Great Yarmouth) (Lab): May I first say that I am pleased to see the hon. Member for Mid-Norfolk (Mr. Simpson) in his place? I suggested that he participate in this debate, as most of the Acle straight is in his constituency.

I am glad that we are finally having this Adjournment debate, after being denied that chance following the early Prorogation of the previous Parliament. I first raised the Acle straight in Parliament as long ago as 1998. The focus of today's debate should be simple, as it was then: do we allow environmental concerns and the general presumption against schemes affecting environmentally sensitive sites that are the habitat of important species to stop the implementation of safety measures to prevent any more needless deaths of those who travel on the road? Do we put environmental concerns above the lives of road users?

Having campaigned on the issue for many years, I strongly believe that the safety measures needed to stop the current spate of accidents on the road will have to be significant, involving the redesign of the road. Against that, I am keenly aware of the previous indifference of Governments to that stretch of road over the past 30 years. Polarised local opinion on its dualling and the recent politicisation of the issue has turned what should be a simple decision about safety into the complex situation that we now face.

In 1998 the Government launched a new deal for trunk roads in England that reversed Tory proposals to scrap the scheme and provided an open and accountable approach for considering all proposals about the road. The report emphasised the need for the completion of the dualling of the A11 to Norwich and proposed that the A47 Norwich to Great Yarmouth road-based study should consider solutions to congestion and safety on single carriageway sections of the route, including the Acle straight.

The A47 Norwich to Great Yarmouth road-based study was completed in October 2001. The report recommended minor safety improvements on the road in the short term, at Halvergate junction and at the westbound approach to Acle roundabout, which were completed in 2001. In the long term, the report said that the preferred approach was to widen the existing road, to provide a higher standard single carriageway. That was proposed instead of dualling, because of environmental concerns. Further, providing an offline route was rejected, as it would not have been good value for money. Doing nothing was also rejected, given the road's poor safety record.

Although the Government have accepted that doing nothing is not an option, it was decided that the outcome of the Highways Agency study was inconclusive. The Highways Agency was asked to undertake further work to help inform the decision-making process on the road. That work included a full stage 3 environmental assessment of widening or dualling, and investigations into the buildability of any proposal and, on the economics of the proposals, construction delays to traffic.

The final conclusion of the report came a year later than anticipated, in September 2004, leading to further local frustration. Although I share that frustration, we

[Mr. Anthony Wright]

now have a real chance of a positive conclusion to the unhappy saga, with the submission being considered by the Minister and the further work of the Highways Agency on the Norwich to Great Yarmouth road-based study now complete.

I urge the Minister to come to a decision as soon as possible on a proper course of action for the road. What do I propose that that course of action should be? Following my own research, via the Highways Agency and in response to a letter that I sent to the office of David Jamieson, the then Under-Secretary of State for Transport, on 7 April, I found that if a decision to undertake work to dual the Acle straight were taken now, the earliest date that such work could be undertaken would be 2011. That would be more than five years on from the date when the agency would be commissioned to start the work, and would involve consultations, route announcements, draft orders, environmental statements, a public inquiry, approval and the possibility of legal challenge. Add to that the time that it would take to construct the road and we find that dualling, although the preferred long-term option on safety and economic grounds, is not a solution to the road's well-documented safety problems in the near term.

It is well known locally that combinations of slow-moving cars, lorries and farm traffic on this long, straight stretch of road, with limited ability to pass, present a large safety problem. The long stretches of the road make judgment of distance difficult and accidents and fatalities a horrific and regular occurrence.

Recent accidents include the deaths of a young father of two children, Glenn Fransham, who was just 38, and of Basil Jackson, who was 74, which occurred in shocking circumstances in November and January. Both deaths were due to accidents that were not the fault of the person who died. What makes them even more shocking is that both those drivers might have been alive today had it not been for the water-filled ditches running along the Acle straight. They died because as they left the road their cars wedged upside down in the ditches, leaving them trapped and drowning.

Those incidents are not isolated. In June a driver had a lucky escape from those ditches after his Peugeot overturned into the ditch; he was rescued. Similar accidents on the road have happened in the past, they happen now, and they will happen in the future, resulting in more people losing their lives.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I am sure that my hon. Friend will be aware that many of my constituents use the road regularly because Great Yarmouth, being one of the country's premier holiday resorts and having a great race track, is very popular with the people of South Yorkshire. Does my hon. Friend recall my telling him some months ago that I was involved in an accident on that stretch of road in which I and my brother-in-law had to rescue an elderly couple from their upturned car? It was quite a serious incident and we had to call an ambulance.

Mr. Wright: Indeed I do remember that story, which shows that accidents there are not new; they happen regularly. The ditches are within 3 ft of the roadside. The Acle straight is probably the narrowest of the UK's A roads; there is no room for manoeuvre. What my hon. Friend has told the House shows that such accidents have been happening for too long. However, what really brings the problem home to everyone is the fact that three accidents have happened in the past seven months in which cars were left upside down in the ditch with people trapped inside. Fortunately, everyone survived the accident that my hon. Friend was involved in; clearly his quick action had something to do with that.

The Government have stated targets to reduce the number of people killed or seriously injured by 50 per cent., compared with the average for 1994–98, by 2010. Indeed, at Question Time today the Prime Minister qualified that. With regard specifically to the Acle straight, the Minister has asked the Highways Agency to give serious consideration to lowering the speed limits from 60 mph to 50 mph and has also asked for the current study of safety on the road, prompted by the two recent fatalities, to include improved incident management and driver information. It is my experience that those measures will do little to prevent such tragedies in the future and to allow the Government to achieve their laudable goal.

It is painfully apparent to Glenn's relatives that something significant must be done immediately to deal with the danger from the dykes, which are filled with water and provide no escape routes. Indeed, all along the narrow verges, with no safety fence protection from the side slopes, the drainage dykes have been a constant danger.

I have also been approached by a constituent who is concerned about the kerbs that have recently been placed on sections of the road by the Highways Agency, and which were designed originally as safety measures. He raised concerns that if hit at speed those kerbs might on occasion lead to cars becoming airborne and flipping into the dykes.

The Highways Agency procedure is to complete safety studies on all fatalities on the trunk road network and it has completed a study on the recent fatalities. In response to my letter of 7 April the Department for Transport stated:

> "The key message to emerge is that there is little similarity between these events (which were 5.5 km apart) except that vehicles have ended up in dykes adjacent to the road."

That really brings it home to me that the whole eight-mile stretch of the road, the majority of which is covered by dykes on each side, is a danger because of the dykes.

Although I recognise, as I have said, that some safety measures have been put in place during the last five or so years, especially near the Halvergate junction—I do not dismiss those currently being examined—I am deeply concerned that the Department for Transport has not taken on board the true danger posed by the dykes. The dykes need to be moved far enough from the road to allow for a possible barrier, or even far enough away for any cars involved in an accident to come to a halt on soil. The cost of doing that would make very little difference to the Department's budget, but would prevent further fatalities such as that of Glenn Fransham, whose parents told me when I met them a few weeks ago that they would not want anyone else to lose their loved ones to a fate similar to that of their son.

However, the environmental lobby has strongly contended that the dykes and grassland habitats affected by dualling are protected by national and international designations, and that any attempt to remove or relocate the dykes, or to widen or dual the road, would come up against stiff opposition in the European courts, where the safety and economic case would have to be overridden. In my opinion, that case would certainly be won and would override other considerations.

That conclusion is also reached in a new report prepared for the Highways Agency by consultants Hyder. However, Hyder also recognises that there would be a significant improvement in preventing accidents, as well as economic benefits, if the road were dualled. There are serious questions to be asked about the environmental reports, as stated in the road-based study, as well as in a research paper by a mature student at the university of East Anglia, Karen Young, who is a constituent of mine, entitled, "Is the science of ecology being used as a tool of convenience?" It is the most detailed ecological report about the road that I have ever seen. Rather than go through the report, I forwarded a copy to the Minister's Department, and will be interested in her comments on it, if not today, then in correspondence.

However, I should like to raise in today's debate a section of Karen's report in which she responds to a statement in the A47 report on dualling. It says:

"These impacts comprise direct habitat loss, including loss of biodiversity habitat, habitat fragmentation and habitat damage."

In her appraisal of that statement, Karen says:

"To appraise this quote, there would indeed be habitat loss: 141 hectares for dualling, and 93 hectares for widening, so this statement is true although the phrase 'loss of biodiversity habitat' is not quite grammatically correct and appears to be ambiguous. This leads to a questioning of the knowledge of ecology contained therein. The next phrase is a reference to habitat fragmentation; the use of the term is not required, as habitat fragmentation is the division of the original area into subdivisions of metapopulation and area. In both cases the key word is divided. The Acle straight is already divided; improvements of the road would not result in any further division of the area."

May I at this stage put on record my appreciation and thanks to Karen Young for her important report, and for allowing me to quote from it? The Government have accepted that the Acle straight needs widening, and to do it, dykes will have to be moved anyway, but I would suggest that consideration be given to moving the dykes far enough back to take into account any possibility of future dualling. Widening the road itself will take up to 92 hectares of land, whereas dualling the road would take 140 hectares—just 50 hectares more. Such an increase is not substantial enough to delay the compulsory purchase of the necessary land, with a view to dualling in the long term, but allowing the necessary safety measures to be taken in the interim.

I also want to make it clear that although we must have safety now, we must also have prosperity for Great Yarmouth. Reports considering the socio-economic impact of dualling the Acle straight illustrate the fact that Great Yarmouth inherited a high unemployment rate in 1997, which was compounded by shifts in seasonal employment, a weak skills base, and low earning associated with severe deprivation. While the Government have sustained a campaign of investment into Great Yarmouth to combat that, leading to much lower unemployment levels, record investment in schools, police and the NHS, and the good news of the urban regeneration company for Great Yarmouth and Lowestoft, as well as approval for public funding for Great Yarmouth's outer harbour scheme, those regeneration efforts would be complemented through dualling.

I caution the Minister against any hesitation in tackling the issue once and for all. She has stark questions to answer. How many more people have to die to prove that the dykes are unsafe and should be moved? Steps can be taken to save lives now. We can still have a dualled Acle straight in the future, but we must act—and act now—if we are genuine in our desire to save lives.

4.15 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate the hon. Member for Great Yarmouth (Mr. Wright) on introducing the debate and thank him and the Minister for allowing me to make a short speech. As he said, 50 per cent. or more of the Acle straight lies in the eastern part of my constituency of Mid-Norfolk. Indeed, the town of Acle is situated there.

The hon. Member for Great Yarmouth and I entered the House together in 1997. I have always said that the A47 will probably be engraved on my heart, as Calais was on the heart of Mary Tudor, and that the Acle straight will probably be engraved on the hon. Gentleman's heart. I do not want to repeat what he said most powerfully, but I must make an important point. There are strong arguments for dualling other parts of the A47, but we have reached the stage with the Acle straight when doing nothing specifically about the accidents and deaths that he and the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) graphically described is no longer an option. It is bad enough having an accident in the area, but a person can come off the road and drown. I do not believe that many other countries in the world would allow such a state of affairs. If Great Yarmouth and Acle were situated on the outskirts of London, Manchester or Glasgow, the outcry about what was happening would be so great that something would be done about matters immediately.

I agree with the hon. Member for Great Yarmouth. If dualling is in the mid to far distance, something that we must keep aiming for, at the very least remedial work should be carried out to widen the single carriageway. Powerful arguments have certainly been voiced to move the ditches/dykes. Local environmentalists, farmers and the Royal Society for the Protection of Birds—some members of which helped in Karen Young's excellent study—have told me that dykes and ditches in that area have been moved over many hundreds of years. Such matters now have to be a priority. Although we are aware of the wonderful environment in Norfolk in which we are privileged to live, I hope that I am quoting the hon. Gentleman correctly when I say that, at times, the habitats of a few species should not be more important than the lives of individuals.

When a major accident occurs on the A47, Yarmouth is cut off on one side. That has an immediate economic impact on Great Yarmouth and on the lives of many of my constituents. Doing nothing is no longer an option.

4.18 pm

The Parliamentary Under-Secretary of State for Transport (Ms Karen Buck): I congratulate my hon. Friend the Member for Great Yarmouth (Mr. Wright) on securing the debate and on the thoughtful and measured presentation of his case. I also appreciate the comments made by the hon. Member for Mid-Norfolk (Mr. Simpson). I was pleased to hear my hon. Friend say that the issue has a long history. It is important that that is recognised. In fact, the matter has been under consideration by various Governments for 30 years.

I welcome the opportunity, albeit belatedly as my hon. Friend said, to outline the Government's current thinking on the issue. I know that our words of condolence are not always welcome, but it is important to place on the record our deepest sympathy for the families and friends of those people who have been killed tragically in the incidents that my hon. Friend mentioned. I assure him that both I and the Highways Agency always take such incidents seriously and are committed to improving safety on our network. As my hon. Friend said, the Government have targets to reduce the number of people who are killed or seriously injured in road crashes in Great Britain by 40 per cent. and the number of children killed or seriously injured by 50 per cent. by 2010 compared with the average for 1994–98.

In fact, in 2003 there were 3,508 people killed in road crashes and 33,707 seriously injured. That is halfway to the 40 per cent. target set for 2010. Obviously, every single one of those crashes is a unique incident, and I am sure that for those involved recognition that we are on the way to the target is of very little comfort. None the less, it is important to set such incidents in a statistical context so that we can measure the progress made.

For the record, whenever a fatality occurs on the trunk network, a study is undertaken to see whether there are any quick actions that could be taken to avoid a similar occurrence. For the recent incident outlined by my hon. Friend, that was done. As he recognised, the key message to emerge was that there was little similarity between the events, which happened over 5.5 km apart, except—and it is an important exception—for the fact that the vehicles ended up in dykes adjacent to the road. The agency has embarked on a study to consider the potential for bringing forward measures that could reduce the incidence.

With respect to the particular cases raised by my hon. Friend, I should add that one of the crashes resulted in criminal prosecution. In another, the coroner declared a verdict of accidental death. The incident earlier this month is the result of suspected drink-driving.

As part of the safety study, I have asked the Highways Agency to give serious consideration to lowering the speed limit from 60 to 50 mph. The study should also look into the issues of improved incident management and driver information. That could include the introduction of automatic incident detection and variable message signs to assist with warning motorists and implementing temporary diversion of traffic.

Of course, as always, the agency will work closely with the police and local stakeholders such as the safety camera partnerships in taking forward any recommendations emerging from this study. Without being complacent, the latest published casualty figures for the Acle straight fall below the national rate for all-purpose single carriageway roads of A-road classification, but of course every single incident is one too many, and the casualty figures are only part of the story.

Due to the extensive marshes and broads in the area—my hon. Friends the Members for Great Yarmouth and for Barnsley, East and Mexborough (Jeff Ennis) and the hon. Member for Mid-Norfolk are far more aware than I of the exact geography—there are very few alternative routes to Great Yarmouth. Consequently, when incidents occur on the network, severe congestion builds up almost inevitably. Additionally, there are numerous field accesses directly on to the A47 along the whole of the straight, with few, if any, alternatives available. Use of those accesses contributes to the substandard nature of the route. Overall, the character and nature of the route gives a perception of remoteness and peripherality. The service for road users is affected by occasional hold-ups at junctions and farm access points, and congestion at the A47/A12 Vauxhall roundabout, located to the east of the Acle straight.

Mr. Wright: My hon. Friend mentions the number of accesses on to farmland. As someone who used that road regularly, and who has lived all his life in the area, I can say that the problem is not road accesses on to the Acle straight; it is more the congestion at the Vauxhall roundabout end and, to a lesser extent, the Acle end. I consider it a red herring, but people suggest that the number of accesses on to the Acle straight are a particular problem. However, it is easy to overcome such problems.

Ms Buck: We should take due cognisance of the local knowledge of my hon. Friend and the hon. Member for Mid-Norfolk in the appraisal of what exactly contributes to the problem.

In addition to the problems with the Vauxhall roundabout, there are difficulties in overtaking, as I think both hon. Members would acknowledge, due to the restricted carriageway width and poor perception of vehicle speeds and distances due to the straightness of the road.

Following the previous Government's decision of November 1996 to remove the trunk road programme by stopping a large number of schemes—including two designed to deal with the single carriageway sections between Norwich and Great Yarmouth—we undertook a strategic review of the roads programme. This work culminated in a number of multi-modal and road-based studies, including one to consider solutions to congestion and safety problems along the single sections of the A47 route. The study, known as the Norwich to Great Yarmouth road-based study, was completed in October 2001, and recommended a number of transport schemes, including two highway schemes, to address the problems of the single sections of road—those same sections that were to be covered by schemes that were removed from the programme by the previous Government.

The East of England Local Government Conference's review of the study findings highlighted the importance of the economic regeneration needs of Great Yarmouth and Lowestoft, as has been mentioned, and with one exception—the treatment of the Acle straight—

supported those recommendations. The Government accepted the conference's view and endorsed the recommendations, particularly the dualling of the Blofield to North Burlingham section of the A47, which was added to their targeted programme of improvements in July 2002.

With respect to the Acle straight, the conference considered that there was insufficient information on a range of environmental and economic factors on which to make a decision. The Government also endorsed that view and asked the Highways Agency to undertake further work into the environmental implications of widening or dualling the road, issues of buildability and the effects of construction delays on the economics of the proposals. That work has been completed, as my hon. Friend the Member for Great Yarmouth acknowledges, and I have a copy of the findings.

I am aware—I hope that my hon. Friend appreciates this point—that there is a deep polarisation of views on this subject. Although there is always a risk of seeing it as a choice between the risk of accident and environmental considerations, it is none the less important to remember that it is not just a straight choice between the two, but those factors have to be borne in mind, considering the general background of accident risk on that stretch of road.

There is a strongly and widely held local view, which includes the majority of local authority representatives, the local MPs and the business community, that the economy of Great Yarmouth is stifled and unlikely to grow without improvements to the A47 Acle straight. In support of that view, Norfolk county council has presented to me a report on the wider economic benefits of improving that stretch of road.

I am also aware that the environmental groups are strongly opposed to any improvement of the Acle straight. They consider that the unique nature of the broads, and the high risk of potential damage to the ecology of the area resulting from a highway improvement, would outweigh any regeneration efforts that such a scheme might offer.

The hon. Member for South Suffolk (Mr. Yeo) claimed before the general election that the improvements to the Acle straight could be constructed within the lifetime of the next Government, if a choice were made to go ahead on the basis of the time scale that was under consideration earlier this year. I stress that even if a decision to proceed were to be made in the next few months, the earliest possible date that works could be undertaken on the Acle straight is 2011, because any scheme would be subject to statutory procedures and regional prioritisation. We should also bear in mind the difficult environmental conditions and the implementation of any mitigation measures that might extend that date.

There is no doubt that this will be a hard decision and there are strong competing factors. We are alive to the significant environmental concerns and the general policy that there is a strong presumption against schemes that would significantly affect environmentally sensitive sites, or important species or habitats. That must be balanced against the economic benefits that the improvements appear to bring. Consequently, we are considering carefully the Highway Agency's work on this issue.

Mr. Wright: Will my hon. Friend give a commitment that when the Highways Agency reviews this matter she will ask it to consider my request to move the dykes far enough back from the road to create a safer environment and also to take into account the possibility of dualling the road at some time in future—whether in the medium or long term?

Ms Buck: I see no reason why I should not give that commitment, in the sense that it is advisable to consider a range of options, given the environmental concerns advanced against the road-widening option. The more options we can consider, the better it will be.

In summary, this is a difficult decision. Environmental considerations and economic and regeneration elements of the scheme must all be borne in mind—that case has been well put. Of course, it must be on the top of our minds that we must do everything that we can to ensure safety and prevent, wherever possible, any repetition of those sad accidents that have claimed lives. Considering those issues together on the basis of the information that has been put to me, including the contribution that my hon. Friend has made today, I expect to gather that information in the not-too-distant future and hope that we will be able to come forward with a decision.

Sleeper Rail Services

4.30 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): Thank you, Mr. Cook, for allowing today's debate.

This is a welcome and crucial opportunity to impress on the Minister the importance that many MPs from Devon, Cornwall and Scotland attach to the sleeper services that run through their constituencies. I shall try to be brief because I understand that other people want to speak, and I want to ensure that their views and those of their constituents are aired today.

The debate is timely for the reason that has made me decide to focus primarily on Cornwall's night riviera service—on 1 June invitations to tender and consultations regarding the Greater Western franchise were opened. That was the first indication that the future of Cornwall's sleeper service could be in doubt, and that it could be axed as early as next April.

As the organisation leading the process, the Strategic Rail Authority—which, I understand, transfers to the Department for Transport next week—has asked those submitting bids to outline separately the costs of running the overnight sleeper service between Paddington and Penzance. We are concerned that that may indicate that a decision to cut the service when the new franchise comes into being has already been taken. I understand that formal correspondence emphasises that no such decision has been taken and that the final decision will rest with the Secretary of State, but we are worried by reports in *The Times*, on 9 June, that a Whitehall source said that the Cornish sleeper service is being targeted first because it is less politically sensitive than the Scottish services. Therefore, I seek your assurance that no decision has been taken, that that is not your approach, that no outcome has been prejudged and that you will acknowledge the strong support—here and in the wider community—for Cornish and Scottish sleeper services.

I hope that you will also justify—

Frank Cook (in the Chair): Order. I know that the hon. Lady is new to the House, but she must address all remarks through the Chair, not directly to the Minister.

4.32 pm

Sitting suspended for a Division in the House.

4.47 pm

On resuming—

Julia Goldsworthy: Having had the chance to collect my thoughts during the Division, I want to make them clear to the Minister. I hope that he will reassure us that the issue has not been prejudged and that the consultation process will be fed into the bidding process. I also hope that he will acknowledge the amount of support for our sleeper services that is being shown in the Chamber today and in our wider communities.

Will the Minister justify the singling out of the sleeper service from among other services in the Greater Western franchise? I am sure that he will correct me if I am wrong, but I understand that part of the rationale behind the franchise was to ensure a balance between high and low-usage services, so that profitable services could be maintained while allowing the less profitable but still important services to be kept and the overall franchise to run at a small profit. I do not see why the sleeper service has been singled out if that is the justification for maintaining some branch lines in the franchise, especially since the cost of running the service is only a tiny fraction of the total cost of the franchise.

Staff who work on the sleeper service communicated to me that sense of being singled out when I travelled on the sleeper to Cornwall last week. They talked in particular about problems with the telesales booking service, which has resulted in many passengers being told that there are no berths available when there are. Although many passengers would still turn up for daytime services and hope to get a seat, most people would not turn up for a sleeper service unless they knew that they would get a berth, because they do not want to sit up all night.

Andrew George (St. Ives) (LD): I have had that experience of not being able to get a berth and having to sit up all night on the sleeper service. Does my hon. Friend agree that if the SRA gets away with separating out the sleeper service from the rest of the service, which should be seen as a whole, it will also separate out other non-profit-making elements of the vital service all the way to Penzance, including the service from Plymouth to Penzance, and that this is a retrograde step, which we must fight all the way?

Julia Goldsworthy: We are not the only people for whom it may be the thin end of the wedge. The sleeper staff are putting together a petition, which many colleagues have already signed. It highlights the level of support from all who use the service, including business people, visitors and even those hon. Members in the Chamber today. I hope that the Minister will take that strength of opinion into account, and that it will be fed into the consultation process.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I hope that my hon. Friend is aware of the strong support that was shown in Scotland for the future of Scottish sleeper services when they were threatened in the 1990s. The Scottish Executive have undertaken to protect the sleeper services to Scotland from now on. Perhaps the Government could learn from that. Is my hon. Friend also aware of the further potential threat to sleeper services that comes from Network Rail? It is important that Network Rail continues to allow passage for sleeper services on the rail lines through England before they reach Scotland without the sort of disruption seen in previous years. I hope that my hon. Friend will press the Minister on that point.

Julia Goldsworthy: I certainly will; and I shall be raising the matter with Network Rail.

I have been contacted by many business people in my constituency who are concerned that the sleeper service is under threat. One wrote:

"I am a regular user, and if it were to be cut it would have a significant impact on my business as well as affecting the amount of time I spend with my family."

For many business people in Cornwall, work and leisure time is too valuable to be spent travelling on a train for more than an entire working day simply to attend a meeting in London. Without a sleeper service, travelling on the train will not make economic sense, and some may revert to driving or flying. Some may stop developing their businesses further afield, which is a great concern.

Matthew Taylor (Truro and St. Austell) (LD): My hon. Friend will be aware—I hope that the Minister, too, is aware—that there is also a threat to the Newquay air service. However, if one leaves London in the morning without the overnight sleeper service, the earliest one can arrive in parts of Cornwall is midday. That is so even if one uses the Newquay air service. That would effectively cut us off for business purposes. Certainly Imerys China clay company would not be able to continue employing senior staff in Cornwall who work internationally if those services are lost.

Julia Goldsworthy: I was hoping to deal with that point later. I was also hoping that the Minister would have conducted a study not only into the direct profitability of the service but into its wider economic benefits. I was sorry to learn from a written answer that I received yesterday that no such assessment has been made. The wider economic benefits and the capacity that needs to be built in Cornwall are vital, and the economic benefits that the sleeper service brings must surely run into many millions of pounds. I ask the Minister to look into the issue during the consultation process so that that information, too, can be fed into the bid.

Alison Seabeck (Plymouth, Devonport) (Lab): I entirely agree with the thrust of the hon. Lady's argument. I know that the chamber of commerce in Plymouth would agree entirely that the night sleeper brings business to Plymouth that is vital for the regeneration of the city, and that we must do all that we can to ensure that the service continues.

Julia Goldsworthy: I thank the hon. Lady for pointing out that it is an issue in Devon as much as in Cornwall.

There is a dearth of hard data. That is due partly to the commercial confidentiality that surrounds the bidding process and to what I said about the need for wider research into the question. However, First Group has provided me with occupancy figures for April. It is an off-peak time, and there were still serious problems with the telephone booking service. It nevertheless shows an occupancy rate in standard class individual sleeper berths to Cornwall of between 80 and 90 per cent. during that month. In the summer months, it is impossible to secure a berth without early booking. Although the aggregated figures for each month of the year may show lower occupancy rates, that could be due to a lower uptake on some Plymouth carriages and also to shared and first-class berths.

At our meeting with the SRA yesterday, it was reported that the existing service was not being run in the most efficient way. However, I hope that the franchise bidders will be urged to consider options to streamline the service—perhaps through different carriage and berthing arrangements or by reconsidering the price structure; for instance, many business men use the service, and there may be potential for greater price flexibility.

Mr. Anthony Steen (Totnes) (Con): I congratulate the hon. Lady on gaining this debate; it was well done. In a parliamentary answer, the Minister said that no assessment had been made of the economic effect of the withdrawal of the sleeper between London and Penzance. That is very odd indeed. Does she agree that the only assessment that the Government seem to be making is how to get more money from the licence operators and how they can reduce the running costs?

Julia Goldsworthy: That may well be the case. I would like a solution that best fits need, not one that fits financial or political expediency.

Finally, and most importantly, I want to draw attention to the wider transport network in Cornwall, which highlights the strategic importance of the sleeper service. Visitors to the county double our population in the summer months, and most of them enter the county through our road network. It will continue to creak under the strain until the A30 improvements finally take place. Our bus network is woefully inadequate and, as has been said, our airport is under threat and is due to be mothballed in 2007.

For many visitors, the train will be the only public transport alternative to the car. For business men, flights do not provide the range of options and the convenience that mainline train services offer in such a long peninsula. They would lose a huge amount of their working day in travelling if they chose to travel during the day.

Far from increasing our public transport capacity in Cornwall, the Government currently seem to be doing all that they can to remove the public transport options that exist for us. That will threaten our local economy. Things such as objective 1 have been building our economic capacity and we are worried that that will be undermined if the sleeper service goes.

Sleeper services such as the night riviera continue to be held up as objects of public affection. They conjure up romantic notions of being lulled to sleep by the swaying of the carriage and arriving in Cornwall in the morning to see the sun rising over our dramatic coastline. For many visitors it makes the journey down to Cornwall part of their holiday and for that reason alone it should be supported. In addition, it is a crucial service for many of our dynamic businesses that have markets and customers to tend to outside the county. Vital work would simply not be cost-efficient for them to do if it involved many working hours spent on the train.

The existing service may well not be perfect and I am sure that there is considerable scope to improve efficiency, but I urge the Minister to recognise the importance of the service and to do so by guaranteeing its inclusion in the main Greater Western franchise.

4.57 pm

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): I congratulate the hon. Member for Falmouth and Camborne (Julia Goldsworthy) on securing the debate and providing an opportunity for the House to discuss sleeper services.

[Derek Twigg]

I have also received representations from my hon. Friends the Members for Plymouth, Sutton (Linda Gilroy) and for Plymouth, Devonport (Alison Seabeck), who are present. It is an important debate. I understand that a number of Members have concerns and that shows the importance of the issue to them.

There are currently sleeper services between London Paddington and Penzance and between London Euston and Edinburgh, Glasgow, Aberdeen, Inverness and Fort William. The sleeper service to Cornwall also acts as a Motorail service carrying cars and their occupants on Friday evenings from the middle of June until the middle of September. All those sleeper services are operated at present by mark 3, modern, air-conditioned rolling stock, which is loco-hauled—using diesel ones for the Cornish services and a mixture of electric and diesel ones for the Scottish ones.

The Scottish sleeper services were mentioned by the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander). The services between England and Scotland are part of the ScotRail franchise, which was re-let on 17 October 2004 and will run until October 2011. Under the Railways Act 2005, the Scottish Executive will be wholly responsible for the ScotRail franchise from later this year.

I return to the issue of the sleeper services to Devon and Cornwall. The overnight sleeper runs from London Paddington to Penzance and from Penzance to London Paddington, on Monday to Friday nights and Sunday nights. There are no sleeper services on Saturday night/Sunday morning in either direction. One sleeper car is detached or attached at Plymouth so that passengers to and from Plymouth can remain in their berths later or join the train earlier. The west of England overnight services require a fleet of five locomotives, 20 vehicles and crews for each night of operation.

Specific mention has been made about loadings and about the number of people using the service. By the very nature of the rolling stock, the capacity of the sleeper trains is low. Each sleeper carriage only has 16 berths—12 standard and four first class. The normal configuration is one carriage dedicated to Plymouth, which is separated from the train there, and three for Penzance. It is also possible to be seated for the journey and not pay the £21 to £36 supplement for the sleeper berth, as there is seating accommodation and a lounge buffet carriage. The seating capacity is 86.

Over the past three years, the average occupancy of the sleeping berth has been four to Plymouth and 17 to Penzance. At the summer peak, the Plymouth sleeper carriages carried around seven passengers each way and the Penzance sleeper carriages around 37. Because of the service stopping at Reading and then frequently between Plymouth and Penzance, it is not possible to determine the exact number of seated passengers using the service. However, over the year, the average number of passengers between Paddington and Reading has been 34, and 13 between Plymouth and Penzance. Overall, we estimate that, last year, overnight services carried around 13,000 sleeping-car passengers and 26,000 seated passengers, out of an estimated 5 million overnight visitors in the case of Cornwall.

As to the proposals, which the hon. Member for Falmouth and Camborne discussed before, the Strategic Rail Authority published a consultation document on the Greater Western franchise specification on 2 June. It includes the sleeper services in the base case, so each bidder must be prepared to offer this service. It does, however, ask for a costed option of not providing it, and encourages bidders to propose alternative ways of serving the market for overnight travel between London and the south-west.

The aim is to provide evidence of the cost of providing this service and, if possible, ways of identifying better value for money options. Decisions about the future of this service will be made after the SRA has transferred its responsibility for franchising to the Department for Transport. While I would be reluctant to deprive passengers and potential passengers of a method of transport to and from Cornwall, consideration must also be given to the value for money obtained from any expenditure of Government funds. The Department will evaluate the responses and identify the costs of running the services, together with possible options for meeting the demand in a different way.

Julia Goldsworthy (Falmouth and Camborne) (LD): Will the Minister agree to a meeting once the consultation period has closed but before the bids have been finalised, to discuss what representations have been made, and how that is going to change the bidding process?

Derek Twigg: I will be happy to have a meeting with the hon. Lady at that point. We can discuss the timing of that at a later stage. I would not want to pre-empt anything about the process that we are going through at the moment but, before a decision is made, I will certainly agree to have a meeting.

As I have said, the Department will evaluate the responses and identify the costs of running a service, together with possible options for meeting the demand in a different way. This will provide a sound basis for decisions for the eventual service level in the new Greater Western franchise. I stress, however, that no decision has yet been taken.

On services between London and the west country more generally, the Greater Western inter-city routes serve significantly sized communities throughout their length. Accordingly, there is a trade-off between fast services with few stops to more distant places, such as Penzance, Plymouth and Exeter, and the need to serve the intermediate markets within the financial and route capacity constraints of the franchise.

The SRA is proposing in its franchise specification to broadly retain the current level of services and provide Newquay with a new daily train service to and from London Paddington. I think it is worth putting the details of the services on the record. They are as follows: London to Exeter, 19; Exeter to London, 17; London to Paignton, two; Paignton to London, two; London to Plymouth, 14; Plymouth to London, 14; London to Newquay, one; Newquay to London, two; London to Penzance, seven; and Penzance to London, six.

Mr. Steen: Before the Minister tells us the times of the line, where the trains stop and how long they take, I would

like to tell him that the arguments put forward by the hon. Members for Cornwall also apply to a great chunk of Devon. The businesses in Devon are dependent on regular train services. As things are, one cannot get to Plymouth, let alone Totnes—my constituency—until nearly midday. So one's whole day is wasted in travelling. That sleeper is essential unless one has a train leaving at six in the morning in London, which is horribly early. I hope that the Minister will recollect that issue.

Derek Twigg: I thank the hon. Gentleman for his comments.

Train services between the west country and Bristol will mostly be provided by Virgin trains' cross country services, with an approximate hourly frequency throughout most of the day. It is worth setting out the objectives of the Greater Western franchise. They are to improve the train service performance, matching resources to changing and growing market needs, and to ensure affordability and value for money. That reflects the results of research into passenger key requirements. We are consulting about what the nature of the new Greater Western franchise should be. The formal consultation that has already been referred to runs for eight weeks from 2 June.

Following the receipt and analysis of all the responses to that consultation, it will be possible to make changes, if required, to the specification issued to the bidders for the franchise.

Andrew George: The Minister has not addressed the principled case. This service cannot be salami-sliced into profit-making and non-profit-making, value-for-money and non-value-for-money elements; it can be seen—particularly by customers at the far end of the line, in Penzance in my constituency—only in terms of the full 24-hour service. Does the Minister not agree that the service must be seen as a whole and that there is a fear that if the sleeper service can be disaggregated, the line from Plymouth to Penzance will be disaggregated in future as well?

Derek Twigg: I understand the hon. Gentleman's point, but this service is unique. It has five locomotives and is different from the service in the rest of the franchise. Although it will be part of the base bid, we think it reasonable to consider the costs and whether there are alternative or better ways of delivering the service. That is why the strategy has been put forward in the franchise.

Matthew Taylor: The Minister will be as aware as we are that there will be confidentiality issues. However, the Department for Transport presumably has some notional idea of the service's levels of costs and subsidy. Can he give us any indication of those and of how much of a view the Department has on their acceptability or otherwise?

Derek Twigg: I have just double-checked that, and my understanding is that if we stopped the service, there would be a saving of £5 million per annum. I hope that that is useful to the hon. Gentleman.

It is important that the cost-effectiveness of the west of England sleeper service be examined because it is important that all expenditure of Government funds achieves the best value for money.

Mr. Steen: We were told by First Great Western that the loss would be £1 million. Is that not an irrelevance, given that the Government hope to get a licence fee? Whether the figure is £10 million, £15 million, £20 million or more, there will be only £1 million off for the franchise operator. The Minister has put forward a bit of a red herring.

Derek Twigg: Well, I can only repeat that, according to the figure that I have been given, the cost saving would be £5 million. I give the hon. Gentleman an assurance that if that should turn out to be different, I would confirm that to him.

A point was made generally about overall transport provision in the south-west.

Mr. Dan Rogerson (North Cornwall) (LD): Given that the western rail passenger committee has now been amalgamated into one for the south-west region and that there are now no representatives with travel experience of the far west of England, how does the Minister plan to take full account of the needs of people there in the franchise consultation process?

Derek Twigg: Would the hon. Gentleman repeat that? I am not sure that I understood the question.

Mr. Rogerson: My question relates to consultation during the franchise process and particularly to the fact that the western passenger committee has been amalgamated into the one for the south-west region. How would the Minister address the concerns of those in the far west of the region?

Derek Twigg: The new rail passenger committee is in the process of being set up, so the concerns of people in the south-west can then be put forward. The consultation process taking place is another way in which people in the south-west can make sure that their views and concerns are expressed.

Matthew Taylor: The Minister may not be aware that there is no representative from the far west on the new body. Given that we in that region are the most reliant on the service, it seems extraordinary that we should now be excluded from the formal process of passenger representation.

Derek Twigg: It does not follow that representation will not still be made and that the Rail Passengers Council will not be able to put forward the concerns of rail passengers and people in the south-west. I repeat that the whole consultation process is taking place as we speak.

Just before the last intervention, I began to refer to overall transport provision, which a number of hon. Members have brought up today. It is important that there are good transport links for the west country, as has already been reiterated, but we plan to continue to develop rail services to maximise existing capacity.

On air services, the Under-Secretary of State for Transport, my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), is discussing

[Derek Twigg]

the future of Newquay airport with Cornwall county council later this week. We are clear on its importance to the county's economy and want to work with colleagues in the Ministry of Defence to find the best outcome for Cornwall. There are a number of road improvement schemes under consideration, particularly the A30, the A303/A358 and the A38 at Dobwalls. I am particularly pleased that the Highways Agency has announced that work will begin on the long-awaited improvements to the A30 at Goss Moor in central Cornwall.

In doing all this, we are paying strong regard to the cost-effectiveness and affordability of all modes of transport and we will continue to do so. Regarding the future schemes, we will listen to the region's priorities and take account of its strategies, which are very important for economic growth and housing.

Andrew George: I realise that the Minister's remarks are coming to an end, but can he confirm that at the end of the 12-week period—an eight-week consultation period followed by four weeks of consideration, when I hope that my hon. Friend the Member for Truro and St. Austell (Matthew Taylor) will lead a delegation to meet the Minister—the final decision will be made by the Secretary of State? If a decision is made to remove the sleeper service from Cornwall, or elsewhere, the final decision should be made by the Secretary of State.

Derek Twigg: That is correct, but I reiterate that we will ensure that we listen to all views and opinions before we come to a decision. I reiterate for the second time that no decision has been taken at this point in time. The consultation process is currently under way, and we want to consider what has been put forward there and other representations that have been made. At the right point in time, I will be happy to receive a delegation to discuss where we go before the decision has been made.

Mr. Steen: Before the Minister finishes, could I just—

Frank Cook (in the Chair): Order. I must point out to the House that when making an intervention it is important that before launching into it, one gets some kind of visual or verbal consent from the receiving Member.

Mr. Steen: I wanted to get some visual consent from the Minister, and I am most grateful to you, Mr. Cook.

I would like to ask the Minister whether he is going to find a way of consulting the business community, and I include tourist operators in that. Tourist operators are terribly dependent on tourists—that is what they are about—and their businesses require a transport system whereby they can get about easily, travel overnight to Heathrow and so on. The night sleeper provides that service very efficiently. Is the Minister going to consult tourist operators and business men, not just in Cornwall but in Devon, Plymouth and Exeter, on the matter of the sleeper?

Derek Twigg: I can only reiterate that a consultation process is going on as we speak in which people can put forward their views and concerns. From what I have heard today during the debate, I know that already a number of business people, tour operators and so on have been in contact with local Members of Parliament to make their views known. There is plenty of opportunity for the business and tourist communities in the south-west to make their views known.

I would just like to confirm that the cost per annum was £5 million, as I said before.

Question put and agreed to.

Adjourned accordingly at thirteen minutes past Five o'clock.

Westminster Hall

Thursday 23 June 2005

[MISS ANNE BEGG *in the Chair*]

Recent Developments in Volunteering

[Relevant document: Eighth Report from the Transport Committee Session 2004–05 HC322 on Search and Rescue.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Frank Roy.]*

2.30 pm

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): It is good to see you in the Chair, Miss Begg. The House will know that 2005 is the year of the volunteer. Given that we have just passed the longest day, today is probably a good opportunity to take stock and evaluate the positive contribution that our voluntary sector makes to community life, and to highlight some of the new ways in which the Government are taking action to support the sector and to give it the encouragement and support it needs.

In the programme for the year of the volunteer, each month has a different theme and this month is recognition month. I should like to begin by highlighting and celebrating the millions of activities undertaken by volunteers all over our country, many of which often go unrecognised. Yesterday, I had the privilege to unveil a plaque at the headquarters of Community Service Volunteers to acknowledge the tremendous contribution that the 50 volunteers who work there make to the organisation. There will be many such plaques unveiled up and down the country during the next few weeks.

In every part of our society, we find people giving their time and energy; volunteers make an extraordinary contribution to our schools, hospitals and prisons and on our sports fields. I applaud the efforts and achievements of all our volunteers in all our communities. The Home Office 2003 citizenship survey shows that in England and Wales, 17.5 million people regularly volunteered in their community during that year. That means that they undertook some form of voluntary activity at least once a month. Others, of course, act on a less frequent basis, so the number is actually higher than 17.5 million if all activities are counted. The contribution overall is estimated to be some £45 billion, although it is a contribution that money just could not buy, because it involves the ingenuity, commitment, dedication and skill of every individual.

Volunteering enhances individual development, personal fulfilment and confidence. It helps to meet need and to build up our communities. It is vital, therefore, that the Government take action to support the sector in ways that enable volunteers to do more and to make a real difference. There are many departmental programmes helping to do that. There are 600,000 volunteers aged over 16 who are involved in programmes led by the Department for Education and Skills, including around 350,000 school governors. The Department for Culture, Media and Sport estimates that there are around 5.8 million adult sports volunteers. There are about 12,500 special constables, and it is estimated that around 10,000 volunteers work with offenders either in prisons or in the community. In 2002–03, the Ministry of Defence contributed more than £31 million towards a range of voluntary activities, from projects that connect combined cadet forces to schools to pre-school and youth services.

We also provide a range of practical support and guidance to help front-line organisations delivering volunteering programmes. Through our "ChangeUp" programme, we have funded Volunteering England to disseminate information and good practice and to modernise and increase the quality of volunteering support.

The Charities Bill, currently being considered by the House of Lords, includes measures that will enable up to 70,000 small volunteer-run charities to de-register from the Charity Commission, and thereby reduce the burden of red tape from which they currently suffer. One of the five codes of practice in the compact, which sets out the rules of engagement between the voluntary and community sector and public bodies, deals with volunteering. We are currently considering conducting a consultation on how to strengthen those relationships and arrangements. The Government are clearly committed to working in partnership with the sector, and to helping to create a climate in which volunteering can flourish.

Mr. David Drew (Stroud) (Lab/Co-op): I am not sure whether my hon. Friend has become the voluntary sector Minister, in which case I should congratulate him, or whether he was already doing the job. Anyway, it is good that he is in the Chamber today.

On the relationship between the statutory sector—in other words, central Government—and the voluntary sector, I am sure that he was aware of the hurt felt, although he was not directly responsible for it, when the Department for Education and Skills removed the Woodcraft Folk's grant. There is also quite a to-do about the removal of the £6 million grant to WRVS, which seems to have been paid for a long time.

At the very least, the negotiations that led to the loss of those grants did not go without a hitch. Will the Minister say what purchase he has over such negotiations, and whether we can improve those relationships in the future?

Paul Goggins: Controversy is never far away when it comes to grants, and for understandable reasons. These are good organisations and people want them to flourish.

I mentioned the compact. We are consulting on that, because although many authorities have signed up to it, it is not working as well as it should in every area, and we want to ensure that it does, so that organisations are paid on time and are given proper respect.

Of the two incidents that my hon. Friend the Member for Stroud (Mr. Drew) mentioned, I know less about the Woodcraft Folk, although I know that there has been controversy about it.

[Paul Goggins]

I know that there has been controversy about WRVS, because I have responded to several letters from hon. Friends and others in recent days, but this issue goes back several years. The Home Office has funded WRVS for many, many years and an agreement was reached some time ago between WRVS and the Home Office to scale down the grant to its current level. The grant is therefore in keeping with the long-term arrangement that we agreed with WRVS. The agreement also gave WRVS some advantages, but I shall be happy to write to my hon. Friend and set out the situation in some detail so that he can be reassured that we reduced the grant over time as part of a planned agreement.

As well as being an opportunity to celebrate the contribution made by volunteers, the year of the volunteer is also a call to those who do not currently volunteer to become more involved. With our support, Volunteering England and Community Service Volunteers, working in partnership with many other organisations and charities, are delivering a wide programme of events and campaigns to highlight what is already happening and the many opportunities that exist.

Since its launch in January, the year has generated many new ideas and resources across the different themes that have been highlighted each month. During youth and children month in February, for example, 50 large-scale activities were registered, including a new volunteer recruitment video, which was created by Barnado's, promoting the benefits of being a young volunteer and challenging some of the misconceptions that sometimes arise about volunteering.

As part of environment month in May, 300 volunteers signed up to be Kew gardeners for the day in order to find out more about the conservation area in Kew gardens. Those volunteers received free admission in return, and went on guided walks. Again, that is something for something, which is always part of volunteering.

Through the year of the volunteer, we also want to widen the range of volunteering opportunities and to remove some of the barriers that stand in the way of those who want to volunteer, but sometimes find it difficult to do so. We want to promote new and traditionally less to recognised forms of volunteering, such as mentoring and befriending or even, in this modern hi-tech age, e-mentoring.

We have been working with the sector on several key initiatives, not setting the direction but enabling the sector, often with only a little extra money, to build the infrastructure that they need. We have, for example, supported the national online volunteer opportunity database so that people can very quickly access information about the opportunities that exist. We have helped CSV to encourage more civil servants to become volunteers. No doubt, hon. Members on both sides of the House will regard that as a very good thing. We have also supported Volunteering England in its work with England's 350 high-street volunteering centres.

This week, a new feature of the year of the volunteer—the "Give a billion minutes" campaign—was announced, in which individuals are invited to pledge time for volunteering. We want to recognise existing commitments and encourage new volunteers to come forward and we hope that, with the support of a groundbreaking partnership involving a number of major media organisations, the initiative will, in effect, become a public record of existing and new volunteer effort.

A key group to whom we want to reach out is young people. In March, the Russell commission set out exciting and ambitious plans to engage 1 million new young people in volunteering and community action in the next five years. Ian Russell's proposals are intended to transform the volunteering landscape for young people, bringing about a step change in the diversity, quality and quantity of opportunities for which young people can volunteer.

A central theme in the commission's report is the importance of engaging young people in designing and shaping their volunteering experiences. That focus on youth reflects the Government's broader commitment to giving young people a much bigger say in how their communities operate, and to making sure that local services reflect young people's priorities and aspirations.

The recommendations also aim to harness the skills and expertise of voluntary and community sector organisations and build up their capacity to engage young people in a wide range of volunteering opportunities. Those may include local environmental campaigns, participation in sports and community activities, and extended school opportunities such as IT classes and the extended school day. Peer mentoring is also an important aspect of youth volunteering, as are the important opportunities that young people seek to do voluntary work overseas.

The aim of the framework is to make volunteering more accessible and attractive to young people. The opportunities need not, of course, be limited exclusively to the voluntary and community sector. The Russell commission was keen that a range of new opportunities should open up for young volunteers in the public sector. It made practical suggestions, including befriending and buddying schemes in the health service, and the provision of peer-to-peer health education on healthy eating, exercise, sexual health and substance abuse.

The commission also saw opportunities for young people to become more involved in campaigns on community safety, and anti-bullying campaigns. That reveals a potential for young people to help other young people in a way that older people sometimes cannot. Young people might have the opportunity to work in Sure Start centres, and another proposal was that they could befriend, help and support young immigrants who were newly arrived in the country.

Young people would be able to choose between one-off opportunities and part-time opportunities, which might be a couple of hours or even a day or two a week. Full-time programmes might involve some financial support for the young people, to sustain them in the long term.

Mr. Drew: Does my hon. Friend accept that one of the most attractive ways of encouraging young people to volunteer is time-banking, which enables them to bank some of the voluntary hours that they work, on the basis of the model that worked successfully under Edgar Kahn in the States for some time? I know that the Home

Office has been instrumental in encouraging that movement, but a national launch is now needed—not necessarily so that young people think that they are getting something for something, but so that they receive some reward to be used in the ways that my hon. Friend describes.

Paul Goggins: I agree strongly. Having recently taken on ministerial responsibility for the matter, I have been forced to go back in time to some of the voluntary effort that I took part in as a teenager. I realise now on reflection that some of those activities made a big difference to me, to the interests that I developed, and to the activities in which I engaged. I am sure that hon. Members have that experience in common. We have all done things in our younger lives that made a difference not just to others but to us. The something for something may not be immediate, but it may last throughout a life.

There is now a team in the Home Office working to develop further the ideas put forward and the recommendations made by the Russell Commission, to develop partnerships with the private sector as well as with the voluntary and community sector, and to make sure that young people are deeply engaged in the project to transform youth volunteering opportunities in this country. Obviously, young people will want these opportunities to be interesting, fun and engaging. We want them to be popular in that way. I am sure that, if we can get that right and put in the right resources, we can really make the step change that we want to see.

Finally, I want to look at our plans for responding to some of the challenges and opportunities that will need to be addressed if we are to see the sustained increase in volunteering that we all want. There is, for example, the need for greater clarity about the legal status of volunteers. There is the question of risk management and the affordability of liability insurance.

Tom Levitt (High Peak) (Lab): My hon. Friend talked a moment ago about the legal status of volunteering. Does he share my regret that the Government did not extend to volunteers freedom from discrimination under the Disability Discrimination Act 2005? Many people volunteer to get qualifications and experience to add to their CV, in the same way as other people take on employment. Should volunteers who are in a position akin to employment not get the same rights as an employee who is doing something perhaps very similar at their side?

Paul Goggins: It would not be a very sensible idea for me to criticise the Government at this point for something that they may or may not have missed out of legislation. However, the point that my hon. Friend makes is sound.

Volunteers should be given proper respect. They should be treated not just as a second-class work force or people to be put upon but as people to be respected. We know that some people have sought to exercise what they regard as their right of redress when they have a grievance with the organisation in which they have volunteered. In those circumstances, most people with a grievance would probably just walk away. Some have sought to pursue that grievance. We have to find a long-term answer. If volunteers have a grievance, it should be aired in a way that is constructive for the organisation as well. What matters in the end is that people are treated with proper dignity and respect. My hon. Friend the Member for High Peak (Mr. Levitt), who is known in the House as an expert and a great advocate for the voluntary sector, would not have raised the issue with me unless it was a serious point. I will undertake to look at it further.

We hear anecdotally that the issues that I have mentioned are, at least in part, contributing to difficulties in attracting certain types of volunteers. For example, we hear about the scout movement sometimes finding it difficult to recruit or about the difficulty of finding people to help with school trips. We have to look at these issues. We need to strike a balance that takes the management of health and safety issues seriously while not stifling through unnecessary legislation or bureaucracy the creative, flexible or original approaches that so often distinguish volunteer activity.

The new Compensation Bill should help by making it clear that there is no negligence liability for incidents that cannot be avoided, as long as one takes reasonable care and exercises reasonable skill. I hope that that will provide reassurance to those who may be concerned about possible litigation, including teachers, local authorities and volunteers themselves. We will continue to work with the sector on such issues. We will be resourcing a range of help and support through the new "ChangeUp" programme.

Another key challenge is the need to widen participation. While the overall levels of volunteering in this country are high, opportunities to volunteer are not distributed equally. Too many people are excluded from the opportunity to play their individual part in an active, vibrant civil society. We are looking at how we can do more to enable those who do not traditionally participate to be more active as volunteers.

We will be looking in particular at involving people with a disability or with a long-term, limiting illness. We will try and engage with people who have no qualifications or people from black and minority ethnic groups. Research shows us that people from those groups are less likely to participate as volunteers.

People volunteer for many different reasons. They derive a range of personal benefits from volunteering. Some of the benefits include improved physical and mental health, as well as enhanced employability and confidence levels. It is now widely accepted that volunteering offers a route to a range of personal development opportunities. It is seen as a way of acquiring skills that may be difficult to gain through more traditional routes, and it offers social contact for those who do not have other social networks. Those are all features of volunteering that apply especially to people who are, or who are at risk of being, socially excluded.

In preparing for this debate, I was particularly struck by the example of a young woman, Jane, who volunteers at Bristol zoo. She has cerebral palsy, and she has worked with staff at the zoo to help them understand the needs of people with disabilities. For Jane, too, there have been many benefits. She says that the activity has widened her interests and abilities, and she has gained more confidence in dealing with the public, children

[Paul Goggins]

and, of course, the inhabitants of the zoo. It is a good example of how a volunteer can both enhance other people's understanding and get something back themselves.

Jane's story should inspire us to do more to widen the scope of volunteering, and over the next few years we will work with other Departments and the voluntary and community sector to make it easier for all people to volunteer, whether they have a low income, a physical disability, a language difficulty or a mental health problem. Everyone has potential, and volunteering can help them to fulfil it.

Mr. Drew: I am sorry to interrupt my hon. Friend again, but I hope this is helpful. I do not know whether other hon. Members were present, but before the general election I heard the Minister of State, Department of Health, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), respond to a debate here on the pathfinder initiative. I know that she has moved on to other things since then. I hope that my hon. Friend can engage with those initiatives because a proactive approach needs to be taken towards volunteering in view of the fact that we are trying, understandably, to redefine the benefits system. I am interested in mental health, but the benefits question could apply to those with physical disabilities as well. Will he engage with the Department for Work and Pensions to ensure that there is joined-up government as well as joined-up thinking?

Paul Goggins: I can offer my hon. Friend that assurance. We see volunteering as a real step forward towards skills training, education and employment, and we must ensure that the benefits system is aligned in a way that facilitates that rather than makes it difficult or impossible. I assure my hon. Friend that that is in my thoughts as we approach the work.

We all hope that there will soon be a positive announcement on the London Olympic bid for 2012. The bid team recently launched an excellent volunteering strategy document, which aims to create a strong, diverse and well trained volunteer work force of up to 70,000 people who will be a crucial part of the delivery of what will be the most successful ever Olympic games. The Olympic and Paralympic volunteer programmes will engage volunteers across the United Kingdom, providing varied and enjoyable opportunities within the games. They will be a real celebration and reflection of the richness and diversity of London and other UK communities.

I know something about such events from my personal experience as a Manchester Member of Parliament, as we held the Commonwealth games in 2002. One of the most spectacular successes was the army of 20,000 volunteers who made the games the success that they became. Many people had never volunteered before, but many have continued to volunteer since. Others found it a useful route to gain qualifications and move back into employment—many of the volunteers had not had a job for some time. Although the great physical legacies of the games are the magnificent City of Manchester stadium and some of the other facilities, the best part of the legacy of the Commonwealth games was probably the fact that people volunteered and volunteers have been able to do so much since.

Volunteering is as old as the human race. Throughout history, individuals and groups have always given freely of their time and talents in order to meet challenges and to fulfil their aspirations. Last century, as we developed a comprehensive range of paid-for public services, the value placed on voluntary initiative tended to diminish. Fortunately, in recent years we began once again to realise that the contribution of individuals, community action groups and voluntary organisations is fundamental to the development of a healthy and cohesive civil society. The opportunity and the eagerness of people to volunteer continues to increase, as do the Government's efforts to help the sector to build up its strength and capacity. I believe that we all regard it as important, irrespective of party. I look forward to the debate.

2.56 pm

Mr. Andrew Turner (Isle of Wight) (Con): The Government's choice of the important topic of volunteering for this afternoon's debate is greatly to be welcomed. I am sure that its timing is no accident, because it is the subject of two of the top 10 questions for the Home Secretary to answer on Monday. Something from my days as a special adviser, when that was a respectable calling, tells me that it does not happen by coincidence.

It is a pleasure to see the Minister in his place, despite his press officer having to explain to *Third Sector* magazine that he is not a long-lost relative of Postman Pat.

A huge number of people volunteer—three-quarters of the population. In the words of the volunteer manifesto,

> "volunteers spot and articulate unmet needs and emerging issues . . . If these volunteers stopped giving their time, then many vital services would collapse, including hospital transport, sea and mountain rescue, magistrates' courts and children's panels."

The manifesto might also have included animal welfare groups, conservation societies, Tae Kwan Do clubs, old comrades' associations, village halls and community radio stations. The organisation Volunteering England adds to that list the tandem bike rider who takes control of a tandem bike with a blind rider behind him, those who help migrating toads cross roads safely and lifeboat crews.

In my constituency, volunteers include Helen Butler of the Wight squirrel project. Some hon. Members may not have heard of the project; it helps red squirrels cross the road safely. Alex Emson of Hover the Wight enabled a deaf and blind man to pilot a small hovercraft by touch alone from Ryde to Southsea across Spithead. My esteemed predecessor of 100 years ago, Major-General Jack Seely, is one of countless men of the Wight who, before and since, have given their time and, in some cases, their lives serving on the local lifeboat.

Earlier today I found a list of voluntary organisations in my constituency on the Isle of Wight council website; it ran to 32 pages, with 40 organisations per page. That does not include those organisations that have somehow avoided being recorded, such as the local Conservative,

Labour and Liberal Democrat parties. Of course, political parties are themselves voluntary organisations, albeit with small numbers of paid staff; that is one of the strengths of our system.

Why do people volunteer? People volunteer at all stages of their lives—in retirement to keep active and to build or maintain a range of social contacts; in youth to prepare themselves for the world of work by broadening their experience or by acquiring qualifications; and in adulthood to support their children or their aged relatives or those of others in the area, in sport, recreation, education and in caring organisations.

For all of them, however, there is the even more altruistic motive of doing something to create a better society—to make their city, town or village a better place to live. There are many volunteers, and it was a pleasure on Tuesday to attend a reception celebrating their work, especially that of the older volunteers, on the Terrace Pavilion with the hon. Member for High Peak (Tom Levitt), who is in his place. The fact is that volunteering strengthens communities.

My noble Friend Baroness Thatcher is recorded as saying that there is no such thing as society. I shall give hon. Members her train of thought. She began by identifying those who cast their problems on to society. She continued in the context that society was being expected to pick up people's problems. She then said:

"You know, there's no such thing as society. There are individual men and women, there are families. And no government can do anything except through people, and people must look after themselves first. It's our duty to look after ourselves and then, also, to look after our neighbours."

That is what volunteers do. They are not doing so to create a Thatcherite valhalla or a socialist paradise; they are doing so because they are human. In doing so, they are incrementally but immeasurably strengthening something—society—that no man can design or build. I applaud each and every one of them for that.

In the words of my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), volunteers

"advance into territory where the state or the market often fears to tread—standing up for unnoticed causes and pioneering care for people who have been failed by one-size-fits-all systems."

A Conservative Green Paper, "Sixty Million Citizens", identified some of the obstacles that volunteers and voluntary organisations face.We welcomed the principles enshrined in the public-voluntary sector compact, and the Government's then proposed reform of charity law, which is now the subject of legislation in another place. We also discovered dissatisfaction among voluntary organisations with micro-management of the work of the voluntary sector through short-term grants and contracts, with the sham nature of some consultations, with the unlevel playing field on which voluntary organisations compete for contracts, with red tape and other obstacles to volunteering, and with poor access to funding for small charities.

We recognise the need to streamline funding arrangements, to make them more accessible, to encourage longer-term contracts, to make grant-seeking simpler, to reduce the need for multiple applications, and to encourage public sector bodies to consider charitable and voluntary bodies as possible deliverers of their policy objectives. Through the Charities Bill, we will promote the greater independence of the Charity Commission, and we remain convinced that the lottery should support voluntary activity, not activity traditionally funded by the taxpayer.

Meanwhile, in its manifesto, the Labour party promised to discuss with local authorities the best way to include social enterprises, community interest companies, mutuals and co-operatives in procurement policies. To what extent does that pledge include voluntary organisations in the traditional mould? The manifesto also promised

"to improve the context in which the gifting of time and resources to the voluntary sector takes place."

That takes some beating for gobbledegook. Perhaps it was a translation of the words of the Under-Secretary of State for the Home Department, the hon. Member for Slough (Fiona Mactaggart), who told the Transport Select Committee that "the conclusion" —of discussions between herself and the Treasury—

"has been that the most effective way to increase the income of a voluntary organisation . . . is through very substantial tax breaks on charitable giving and effective encouragement of tax efficient giving".

Does the Minister think that existing tax breaks are "very substantial" or whether extra tax breaks are planned?

The manifesto went on to promise to

"develop a framework of incentives and rewards, to recognise the special people in every community whose voluntary efforts transform the lives of others"

and to

"establish the first ever national framework for youth volunteering, action and engagement—a modern national youth community service led by young people themselves",

which the Minister has said a little bit about. Are Ministers sure that they are not, in each of those pledges, merely reinventing the wheel at a cost not only to the taxpayer but possibly to existing voluntary organisations? What is the value of a national service rather than local services tailored to the needs of individuals?

My great disappointment in the Labour manifesto was that, for all the Government's evident belief in partnership with the voluntary sector, they did not talk about clearing away some of the obstacles to volunteering, which have been widely identified. They can be summarised as litigation, insurance, inspection, regulation and conditionality of funding.

On 28 August last year, my right hon. Friend the shadow Home Secretary illustrated the threat of litigation against voluntary groups with the case of the parents of the girl guide who won £3,500 after singeing her fingers cooking sausages. Exactly a week later, the then shadow Chancellor, my right hon. Friend the Member for West Dorset (Mr. Letwin), pointed to insurance risks. He cited

"a charity pancake race in Devon . . . cancelled earlier this year after the insurance costs more than tripled from £75 to £280"

He referred also to demands for inspection. He noted:

"In July, members of a local Women's Institute in Essex were banned from baking cakes for elderly patients. As a spokesman for the local primary care trust explained, 'We have to adhere to

[Mr. Andrew Turner]

strict hygiene criteria and without inspecting the kitchens of WI members who prepare the cakes we cannot eliminate all potential risks."

In that case, thankfully, the trust reversed its decision, but hon. Members can imagine the demotivating sense of resignation that translates into, "Oh, well, if they don't want my Victoria sponge I'll find something else to do with my spare time."

My right hon. Friend also spoke about the impact of regulation on

"the after-school club in Kent that faces closure because it is too popular—set up by families who can't afford the fees charged elsewhere, the club has gone from strength to strength.

Unfortunately, its success has brought it within the regulatory orbit of Ofsted, and volunteers can't cope with the increased demand for paperwork."

He observed that if the club closes,

"the children will play on the streets instead, which Ofsted doesn't regulate."

Meanwhile, in my right hon. Friend's constituency of West Dorset, a group providing riding for disabled youngsters is

"now at risk because of the blanket of well intentioned risk-minimising regulation that affects everything from how the children can be put on their mounts to how they can be prevented from falling off.

When the horse jolts in a way that might frighten the child, the adults are not even allowed to lift the child away from the horse for fear of intimate contact.

The volunteers, who give their time for this admirable cause without the slightest hope of reward, are now monitored and inspected and bureaucratised in a way more appropriate for dangerous monopolists".

As my right hon. Friend perceptively put it:

"No good deed goes unpunished."

Examples of that kind, however, do not come only from members of the shadow Cabinet. A survey by the Central Council of Physical Recreation says that fear of litigation is the top barrier to volunteering. Although 80,000 youngsters are on waiting lists to join the scouts and guides, those organisations point out that it is not just the insurance costs that are a problem. Even a scoutmaster who defeats a legal challenge to his competence is unlikely to return to scouting.

John Grantham of the Scout Association provided the following example of a legal judgment given at Newtownards on 6 November 2002. A scout camp site had built an impromptu water slide on a gentle slope. The organisers were providing participants with lightweight helmets and advising on sensible use of the slide. However, the youth leader of some non-scout children decided to dive down the slope. His helmet, which had not been fitted by supervising scout leaders, hit the ground and slipped, cutting the bridge of his nose. A claim was brought and the judge held that scout leaders should have ensured that people could not get on to the slide without the helmets being checked.

The British Canoe Union tells us that at the British canoe marathon a marshal was positioned at each end of a narrow half-mile cutting, to warn crews about any powered craft that might present a danger. A kayak was allowed to enter, on the strict understanding that the crew were not to attempt to overtake a powered craft ahead—which they did, causing damage to the craft. A claim was made against the volunteer marshal that he should have assumed that the crew would ignore his request and that he had acted negligently. The claim was settled by the insurance but the race organisers now face increased insurance premiums, and the volunteer will not be offering his services again.

Those examples highlight the difficulties that organisations and individuals face. The Minister's predecessor was not persuaded that they suggested a need for the Promotion of Volunteering Bill, but if the Minister and I agree now on nothing else there is certainly a public perception that the threat of litigation hangs over the heads of organisations such as those.

That public perception of a compensation culture is a barrier to recruitment and retention of volunteers. A higher burden of proof to establish negligence is needed and I am not completely persuaded that the legislation that the Minister mentioned provides it. The courts must be forced to recognise that certain activities carry inherent risk and that by undertaking those risks an individual must assume a level of responsibility for his own safety.

My constituency of Isle of Wight is affected. Two years ago the Royal Yacht Squadron, one of the oldest sporting organisations in the world, was forced to require the wearing of life jackets for certain races, for fear of its insurance becoming invalid. Local regattas and carnivals, all organised by volunteers, find their insurance premiums and policing costs prohibitive.

At the end of the previous Parliament, the Select Committee on Transport published a helpful report on search and rescue services. Those essential services are run almost entirely by volunteers, but there are shortages—of 20 per cent. in the retained fire service in 2004 and of 5 per cent. of complement for auxiliaries in coastguard rescue teams. Some 4,500 people volunteer as crew for the Royal National Lifeboat Institution, and many do so for inshore rescue services. Mountain Rescue, too, depends largely on volunteers, who not only give their time but often pay for their equipment.

Paragraph 51 of the report quoted Dr. Anthony Jones, vice-chairman of Mountain Rescue, who was asked whether the Government might help to fill the occasional funding gap. He was said to be

"concerned that conditions might be attached to government funding which could impinge on effective operations".

Paragraph 63 reports the absurdity of volunteers being eligible to take voluntary organisations to employment tribunals—a costly and time-consuming process for the respondent. Perhaps that is the reverse of the case to which the hon. Member for High Peak referred. These telling examples fuel the perception that the Government are not always NGO-friendly. The Minister has a significant opportunity to bring together a number of Departments to ensure that these vital arrangements are helped, not jeopardised, even inadvertently, by Government action. I hope that he will contribute to the Government response to the report.

There are two other obstacles for voluntary organisations, if not to volunteering, which I shall flag up. The first is exploitation by some public sector bodies; the second is red tape. Felicite Booker, of Age Concern Isle of Wight, told me more than a year ago of difficulties with the Isle of Wight's then Liberal

Democrat-led council. I am referring to the tendency to agree orally to purchase services but for the contracts to follow in some cases well into the financial year, and last year not at all, on a take-it-or-leave-it basis when staff are in post and clients expect the service to be available. That is an abuse of power that all hon. Members will condemn and which the newly elected Conservative administration on the Isle of Wight will no doubt want to put right.

I shall give some examples of regulation and red tape. Incidentally, I welcome the reductions proposed in the Charities Bill. The cost of Criminal Records Bureau checks has risen not only for employers but for volunteers. The organisations through which volunteers are checked used to pay a one-off £300 fee to the bureau; now, I understand, the fee is £300 a year. Many of those umbrella organisations have to pass the cost on to small voluntary bodies that cannot do the checks themselves, if they are lucky enough to find an organisation to take on that role at a reasonable cost.

On a similar theme, 30 children all aged under 3 managed to raise £142 for Barnardo's by a toddlethon in Poole park in Dorset. The council had wanted to charge £26 to check whether the event needed policing or barriers. I was pleased to hear that Councillor Don Collier of Poole borough council had waived the fee, but the example shows how additional burdens on councils feed through either to council tax payers or to consumers of services—including volunteers and voluntary organisations.

The Minister will know that village halls and local sports clubs are vital to small communities up and down the country. They are usually managed and maintained by volunteers, often with very tight budgets. However, the Licensing Act 2003 lumps them in with pubs and nightclubs, requiring them to obtain a premises licence based on the rateable value of their premises. That means an applicant fee of between £100 and £635 and then an annual fee of between £70 and £350—a cost that many find difficult to absorb. Additionally, the person in charge of the venue must hold a personal licence. A further £37 fee is due and a recognised licensing qualification is required. A designated premises supervisor, who will be responsible for day-to-day events, must be appointed—it can be the same person—incurring a further £23 fee. That person must also hold a personal licence. We should not be surprised if unpaid part-timers are unwilling to take on such roles, or the lengthy application process. The regulations also limit the number of times a village hall can be let for events that sell alcohol, which has been a vital source of income in the past. Both those issues threaten village halls, sports clubs and their volunteers.

I flag up that example because I sat on the Committee that considered the Licensing Bill. Ministers repeatedly assured us that the Bill would reduce red tape, but I am concerned about what might happen to volunteers and voluntary organisations. The Bill commands considerable cross-party support, but my initial concern is that the clauses on the regulation of fundraising and street collections have not been fully scrutinised. We shall see what emerges from the Lords, but I do not want the burden of additional bureaucracy to be placed on small organisations.

In the run-up to the election, the Chancellor of the Exchequer set a number of eye-catching objectives for the year of the volunteer. The Government would be doing

"more to make possible the giving of time by volunteers".

Another aim was that

"over the next five years 1 million new young people become volunteers",

and there were many more. Those are ambitious objectives, but sadly they sound like typical top-down targets. I hope that the Minister will gently tell the Chancellor that however good volunteering is, it is hard for voluntary organisations to respond to a burst of Government enthusiasm unless it is planned with them and sustained effectively.

According to *Charity Times*,

"The prospect of thousands more people offering themselves as volunteers fills some with alarm, among them Norrie Murray of Volunteer Development Scotland. 'It's easy for government and others to think that volunteering opportunities can be created rapidly,' he says. 'My experience is that that's not the case. Organisations need training and support to help them work with volunteers.'"

The article added that

"there's a real danger that when volunteers come forward there won't be any decent opportunities for them and the resource that they represent will be wasted."

There is some evidence that money spent by the Government duplicates efforts that are already made voluntarily. When I asked one Government-backed organisation whether the 250,000 volunteers recruited by paid regional animators to their books were new or existing volunteers and how many were actually volunteering, it appeared not to know. The sector does not need a blizzard of initiatives; it needs stability and a Minister—I am sure that the hon. Gentleman will not disappoint—who will address sympathetically the dull and worthy detail of the obstacles that it faces.

I should also mention Volunteering England's database. If one inputs "politics", which is one of the options, and then uses my postcode, one finds nothing at all. *[Interruption.]* We are very non-political in my constituency. However, if one puts in SW1A 0AA—a postcode with which I am sure hon. Members are familiar—there is no mention of any political party of which I have ever heard. So, those who are trying to find volunteers need help from the voluntary organisations.

In the words of my right hon. Friend the Member for Chingford and Woodford Green, who did much during his time as leader of my party to focus on the needs of the vulnerable and the excluded,

"The alternative to a bigger state is not ... a lonely individualism. The centralised state and Darwinian individualism are, in fact, natural accomplices in the undermining of society. Both cut people loose from the institutions which provide identity and personal security. The real alternative to the bigger state is a stronger society."

3.19 pm

Tom Levitt (High Peak) (Lab): First, in the spirit of ecumenism, I find it difficult to disagree with anything that the hon. Member for Isle of Wight (Mr. Turner) said. Indeed, when he started talking about Liberal councils, my heart positively warmed to him. The Liberal-led coalition that runs High Peak borough

[Tom Levitt]

council is presently considering cutting the funding for the citizens advice bureau, which would guarantee more suffering and hardship for the most vulnerable in society. I hope that his Conservative colleagues in the coalition will withdraw their support for that proposal.

I also very much welcome the speech of my hon. Friend the Minister, who has a long history of involvement in the sector, not just as a Member of this place but before that. Of course, I knew that it is the year of the volunteer, but I had not realised that it is the month of recognition. I am delighted that he did not mean volunteers carrying out their activities wearing orange vests, an idea that the Home Office has perhaps now put on the back burner.

The hon. Member for Isle of Wight was kind enough to mention the reception that I hosted the other day for the Experience Corps at our now annual celebration of older volunteers. It is a body instigated by, but now happily living free, as it were, of the Home Office, having survived after years of official funding came to an end. As chair of the all-party group on charities and the voluntary sector, and the host of that event, I took the liberty of inviting the president of the local brass band, a worker in a charity shop, a former activist in the Soroptimists, a keen and active member of the St. John Ambulance, someone who is regularly involved in twinning activities with Buxton's twin town in the north of France, and someone who works for Help the Aged. Rather than fill up a whole carriage of volunteers from my constituency, I economised, because all these descriptions describe the same person. It was a great pleasure to have Stella Gill in the House of Commons in her considerable years to come and see this institution and let her fulfil her hobby of watching politics from afar at much closer quarters. She enjoyed the day very much, as I am sure volunteers from other constituencies did, and I thank the Experience Corps for maintaining that tradition.

The week before, at a meeting of the all-party group to which I referred, I was struck by a talk from the nursing manager of my local acute services hospital, the Stepping Hill hospital in Stockport. She described how an out-patient experience—we have to use the jargon these days—could have resulted in an individual arriving at the hospital and leaving a couple of hours later, having undergone treatment. During that period they would have come across 12 or more different volunteers working within the public sector carrying out different functions—not replacing what had previously been done by employees, but enhancing what was currently done by employees. They increased the efficiency and the atmosphere of care, and had the ability to bring the patient experience to the service delivery coal-face, as it were. In that sense, it sounded very successful—I am sure that it is—and struck me as a model of good practice for the delivery of services.

In my constituency, again in Buxton, the Scope charity shop is, I believe, one of the most profitable charity shops in the country, and Buxton has become something of a haven for charity shops. They are a thriving part of the economy, and not only do they fulfil excellent charity functions very cost-effectively, but organisations such as Scope and Help the Aged are involved in passing on what they cannot use to other agencies, such as non-governmental organisations in developing countries. They are also involved in recycling measures. Every Member has seen throughout their constituency the way in which the voluntary sector can change and enhance lives and contribute toward a healthy society. Indeed, I believe that a community cannot be healthy if it does not have a voluntary sector in one or more of its many guises being involved successfully within the area.

Over the years, we have seen changes in the way in which the voluntary and community sector operates. My own Council for Voluntary Services is a much more professional and dynamic body than it used to be. Indeed, thinking about it, it did not even exist five or six years ago. It has built itself up into a thriving, conscientious and effective voice and capacity to work with other voluntary sector operations in the area.

I mentioned the CAB earlier. In my constituency, which covers 650 square miles of mostly rural land, the bureau, through a healthy living project funded by the lottery, provides an afternoon of adviser presence each week in every rural doctor's surgery throughout the year. In its first year of operation, it put an extra £2 million of unclaimed benefits into people's pockets in rural areas throughout the Peak district. It has changed people's lives—I have used that phrase before, but it true—by having a voluntary sector mediator put them in touch with the services and provision available to them.

We recently had an election—no, not the general election—in my area to elect governors of the foundation trust, again for the Stepping Hill hospital in Stockport. It is early days, but I am optimistic that the injection of voluntary sector people on to the governing body of an acute hospital will bring new qualities to its operation. A couple of years before that, we went through the process, with a huge vote of approval from council house residents in High Peak, of setting up an arm's length management organisation. That is now run by professional people but answerable to a committee of volunteers from their community. They are ordinary people managing the housing and related policies of the community in which they live.

We have effective crime and disorder partnerships—voluntary bodies working on strategies to tackle antisocial behaviour—and I want to take the opportunity to commend the way in which young people have involved themselves in those initiatives. For example, the Hands-on project in Glossop has brought people together to hire a local nightclub, so that young people can have the nightclub experience once a month in an alcohol-free environment. Otherwise, it is a normal nightclub, with the same music, the same bouncers and the same chance that they might get searched on the way in, and it has the same standards of expected behaviour.

There is also the Millennium Cellar in Glossop, a youth club that has attracted multi-agency and lottery finance over the years. It was established by young people. They did not think that there was a satisfactory spread of statutory services, so they set up their own club, which has been tremendously helpful in providing courses, homework advice and access to the internet as well as a chance to relax, socialise and play sports and games.

After about 12 years in existence, the Peak District rural deprivation forum—another entirely voluntary body—is one of the most authoritative voices on rural

deprivation in the country. It was a great tribute to the strength of that organisation, and a pat on the back for the local strategic partnership in my area, that when the LSP was set up, the then chief executive of the forum became its chair. She was the only member of the voluntary sector in the country who was chairing an LSP. That provided a different sort of leadership and atmosphere for its operation.

The hon. Member for Isle of Wight mentioned mountain rescue services. I have more mountain rescue organisations in my constituency than perhaps anyone else—there are six if we include the cave rescue group. He raised some serious and sensible questions about how that emergency service operates alongside and in partnership with other emergency services, doing nothing less than saving lives, but believing that it perhaps does not receive the recognition that it deserves. I am not saying that the service should be nationalised—far from it—but it needs to be treated as an equal partner, although not necessarily from the same stock as the other emergency services. On the ground, the other emergency services treat the mountain rescue service as an equal partner, but I am talking about funding streams and what happens when, say, it struggles for money or when a Land Rover needs replacing.

Other hon. Members have mentioned magistrates and school governors. They are individuals, perhaps not working in voluntary organisations, and as individuals they need support. I want people from wider backgrounds to have the time, inclination and support to become magistrates and school governors. I am pleased that some local companies in my constituency have gone out of their way to encourage their employees to become magistrates or school governors and that they have been generous in allowing time off for that. That is another example of where good practice needs to be disseminated further.

The voluntary sector is distinguished from other sectors of service providers, principally because it is need-led. The need exists first, which generates a response, normally local but sometimes international, to fulfil that need, whether it is for a chrysanthemum society—a legitimate member of the voluntary sector—or a strong local voice for or against a local development. For instance, the Tintwistle-Mottram bypass siege committee in my constituency has argued for many years for the Tintwistle-Mottram bypass. The group has been successful and funding has now been secured, largely because of the huge public support that has been expressed through the voluntary sector.

Equally, 100 years ago there was a need for organisations to be responsible for animal welfare, which statutory bodies had not taken up. The Royal Society for the Prevention of Cruelty to Animals grew from the roots of local people's concerns and compassion for animals and developed into the professional and experienced body that it is today. It is astonishing that organisations such as the Royal National Lifeboat Institution take on the responsibilities that they do entirely within the voluntary sector, although they are no less important for that.

On a smaller scale, but again with a constituency interest, I pay tribute to the work that the hon. Member for North-East Bedfordshire (Alistair Burt) undertook in the previous Parliament to secure changes to the working at height regulations. That might sound like something that affects scaffolders, and which would therefore be of interest only to Members who represent inner cities; however, it also affects mountain climbing instructors in my constituency and other volunteers in that sector.

A lesson to be learned from what has happened this week is that when a voluntary sector organisation such as Citizens Advice issues a public report, the Government respond immediately and take notice. We have seen that with tax credits this week, not only with Citizens Advice, but with the parliamentary ombudsman, who used to be its chief executive. Clearly she has an excellent pedigree and has lost none of her zeal on moving to the establishment.

I shall say a word about local government and the relationship that councillors on local authorities have with the voluntary sector. The voluntary sector can be the eyes and ears of councillors. Many councillors have not yet realised the opportunities that can be given to them by working with the voluntary sector in their own wards at a very local level. Too many local authority members regard voluntary sector organisations as a possible threat. I recently overheard a conversation between two members of different local strategic partnerships who were talking about this problem. One mentioned a parish councillor who had described a voluntary sector representative in a certain way and then said, "Don't they realise that I'm elected?" The implication was that only someone who was elected could have any idea of what was needed in that community. Sadly, the response of the other person in the conversation was, "Oh, we don't have that problem in our LSP; we don't have any community sector people."

Local strategic partnerships must be just that; they must involve the voluntary sector as equal partners to represent those communities. Councillors who miss that might not realise how much they already rely on the voluntary sector, because when a group of residents say, "The street lighting in this street isn't good enough, we'll sign a petition", that is the community sector in operation. It might not be an organisation or have list of administrative articles, it might not have any funding, but it is the community organising itself and speaking with one voice about a particular issue. If that is not a definition of a voluntary sector organisation, I do not know what is.

Within local government, we see groups coming together to lobby for and against planning applications, petitions being organised about traffic calming, and residents and tenants' associations being consulted to a greater or lesser degree about what goes on in the communities and estates in which they live. That is the voluntary sector in operation. Councillors do not do their communities a service if they do not recognise that and seek to work with the voluntary sector in all its guises.

I very much welcome what my hon. Friend the Minister said about the review of the compact. I was at its launch about five years ago. Where it works, it works very well. There is much good practice that has not yet been sufficiently disseminated, through local authorities in particular, to maximise the benefit of the compact wherever it operates. I want the Minister to include in the review examination of the way in which

[Tom Levitt]

Departments work with voluntary sector operations. I suspect that he will find that the compact is patchy at that level.

There was a time when all services were delivered by the voluntary sector, by the public sector or by the private sector. Then, over 100 years or more, different organisations grew up between those three corners of the triangle. Foundation trusts and arm's length management organisations, which I have already mentioned, arose in the gap between the public sector and the voluntary sector. Co-operatives and friendly societies have long been established in the gap between the voluntary sector and the private sector, and schemes such as the private finance initiative fill the gap between the private and the public sectors.

We have gone from a three-pointed star to a six-pointed star, and are now moving beyond that. There is now a complete continuum—a sort of torus or doughnut—of structures, with the public, private and voluntary sectors still perhaps at that equilateral relationship with each other, but with every point in the spectrum between them now being filled. The voluntary sector is now working in all sorts of combinations, with perhaps the public sector on one hand and the private sector on the other.

The hon. Member for Isle of Wight mentioned additionality and the National Lottery Bill. The key is to decide where the needs are, not whether the Government could or should provide a service or whether they are providing it. Historically, Government provision has been top down, and will probably always tend to be so, when trying to identify needs and allocating resources accordingly, whereas the voluntary sector's only reason for being is to be on the bottom looking up and to identify needs at a community level. Additionality is a question not of where the money comes from, but of who is identifying the need. If the need is inspired by the voluntary sector, it is additional. What is not right for lottery funding is a top-down need, which has been identified from the top down and without reference to the bottom, or, when taking a position of status quo, replacing something. If the need is identified at the grass roots, that is legitimate.

For the past year I have had the pleasure of chairing the Community Development Foundation. I thank the Home Office for giving me that opportunity. The year has been exciting and dynamic in just getting my feet under the table. The CDF is all about good practice and the way in which the voluntary sector contributes to such things as civil renewal and social inclusion at a community level. The CDF's role is to discover, develop and disseminate good practice.

We are working with several different Government Departments, although our principal relationship is with the Home Office, and lots of exciting things are going on and new initiatives are being taken. CDF recently took over certain elements of grant making. We are very proud of what we do. My only criticism of the CDF is that not enough people know about it. Many people in the voluntary sector and other service deliverers could benefit from being aware of our work. We are addressing that matter.

I said that I chair the all-party group on charities and the voluntary sector. With the cross-party support of my colleagues on that committee, I should like the name to be changed to the all-party group on the voluntary and community sector. That is partly because I perhaps rashly said at a conference a few months ago that I never wanted to hear the word "charity" again, but is partly because that better describes how the sector operates, in terms of working within, between and on behalf of communities.

One of the reasons for my hang-up with "charity" results from something that happened in my constituency, although I think that other Members will have experienced the same. We know that only about two-thirds of those entitled actually claim pension credit, although among those with the greatest need the figure is much higher—about 95 per cent., I believe. In the most deprived ward in my constituency, the figure is 97 per cent., the highest in the country. Again, that is a result of the voluntary sector making pensioners aware of their entitlements and getting them to claim.

One of the reasons some pensioners do not claim pension credit is charity—"I don't want charity." They see it as demeaning, as akin to being a beggar. We know that there is an entitlement to pension credit and that it is not a hand-down. That is why I believe that "charity" has outlived its usefulness.

In Victorian days it was charitable to be involved in charity; nowadays charity is more about empowerment—perhaps it is about raising money for good causes, yes, but in most cases the good causes are intended to provide sustainable solutions to help people to help themselves. If that is achieved within communities and not imposed, that is much more likely to be sustainable. That end point, that process, is quite different from the Lady Bountiful handing out of surplus to the poorest and "most deserving", which was perhaps the emblem of charities in the past.

In the past 12 months, wearing yet another hat, as Parliamentary Private Secretary to the Secretary of State for International Development, I have seen British voluntary organisations and non-governmental organisations work very effectively overseas. I have seen Save the Children Fund work with street children in Ulan Bator in Mongolia; a microfinance project and a hospital run by the Leonard Cheshire organisation in Tanzania; and the Leonard Cheshire organisation's work with disabled children in Zambia. All credit goes to those organisations. An increasingly large amount of aid to developing countries now goes through the British and international voluntary sectors, but the key to ensuring that aid is delivered properly is to ensure that it is sustainable. Aid and development in developing countries can be sustained only when voluntary and community sectors can fill the gap in society and couple need with local delivery.

DFID's policy is to put 90 per cent. of direct bilateral aid into the lowest-income countries, which are clearly the ones with the greatest need, but we should consider the many middle-income countries, which, proportionately, other countries might fund better than we do. Middle-income countries are often low-income countries with some quite rich parts. The voluntary sector, unlike some of the statutory sectors, can redistribute wealth, effort and resources yet be relatively free of regulation, which is why we should put special effort into helping countries—

particularly, but not entirely, middle-income countries—to build capacity in their voluntary and community sectors. Such sectors are a sign of a healthy society and they deliver help effectively. I have seen wonderful local voluntary sector organisations operating in some countries, such as Zambia.

As there is little time available, I shall close by asking the Minister 10 questions. I had only six at the beginning of the debate, but have added a few since. I do not challenge him to answer them all now, as I appreciate that he might need some time to think about some of them. They are not necessarily in a logical order, and I have mentioned a few of them already. The first is about the "ChangeUp" procedure—the Home Office process of capacity building in the voluntary and community sector. Will "ChangeUp" support the development of local processes, organisations and structures rather than impose them? Will it work with existing councils for voluntary service to reach the best solution for the circumstances in each area, rather than apply national formulas?

I have already mentioned the subject of my second question. Will the Minister include Government Departments—I suspect he already does so—in his review of the compact?

The third question is one that organisations in the voluntary and community sector always face when they start to be successful, which often means that they have got a grant. The problem comes when the grant runs out. We need more sustainable capital and revenue sourcing rules for voluntary sector organisations. I do not say that the grant-givers are always at fault, but there is good practice to be found in the way in which voluntary and community sector bodies manage the end of funding streams and how they then move on. I started my speech with an example about the excellent manner in which Experience Corps survived that traumatic time—unfortunately, other organisations do not survive.

Fourthly, will the Minister conduct a review of what the public sector can learn from the voluntary and community sector? Are there practices that the voluntary and community sector has developed from which the public sector can learn?

I mentioned my fifth question in an earlier intervention, but I shall flesh it out. I am no more likely to criticise the Government than the Minister is, but if there is a criticism it is one of missed opportunity rather than neglect. Some people volunteer because of what it can do for them—that is not a criticism of them. However, if someone volunteers to enhance their CV, to gain work experience or even to work towards a qualification, those are all parallel factors to what someone might do in employment.

The discrimination laws in this country not only include the Disability Discrimination Act 1995 but the Equality Bill, which includes six—I hope more in years to come—groups. That legislation recognises that what is wrong is not discrimination, but unjustifiable discrimination. A volunteer should not suffer unjustifiable discrimination any more than an employee should. Therefore, I hope that we can use the Equality Bill to try to ensure that volunteers who are in a position akin to an employee have the same protection against unjustifiable discrimination.

My sixth question is on the private sector. We have successfully promoted payroll giving, and I have already mentioned how some local companies positively encourage employees to become magistrates, school governors and so on. However, in the United States the voluntary sector is based almost entirely in the private sector. For what voluntary sector activity there is, the private sector is much more active than the British private sector in engaging with and helping to promote volunteering and voluntary sector activities. Will the Minister consider what more can be done to encourage the private sector to engage with volunteering?

My seventh question is a bee in my bonnet about charity and whether we have missed an opportunity to rename the Charity Commission with its relaunch—perhaps it is too late to do anything. There is a new and dynamic leadership in place, with which I am impressed. It is taking on its new purposes and roles as anticipated under the Charities Bill well.

My eighth question is about better integration and support for mountain rescue, cave rescue and air ambulance services. In some parts of the country, air ambulances are much more reliant on voluntary sector fundraising than on other forms of fundraising. There is not a level playing field for the air ambulance facility. Essential life-saving services must have not absolute equality, but a degree of parity that currently does not exist in terms of their integration in joined-up services.

The last two questions were taken straight from the speech by the hon. Member for Isle of Wight. The ninth question is about hiccups that we keep having with volunteers and the Criminal Records Bureau. I was a Parliamentary Private Secretary in the Home Office when the CRB was created, and that was a big discussion that we had at the time. I thought that we got it right, but we must reconsider how the voluntary sector relates to the CRB.

That links to the tenth question, which is about risk aversion. If anyone is going to be allowed to take a few more risks, perhaps it should be the voluntary sector. There must be a better balance between risk, benefit and getting the level of regulation right. We might be living in a more litigious society—that is not something that the Government have created or can control—but we do not want to go too far down that road.

It has been a pleasure to speak for so long. Every Member of Parliament relies on members of their voluntary/community service sector for formal or informal contact. They are our eyes and ears, but they can also be our hands and feet. Whether we come across them through receipt of circular postcards or letters or through their Christmas fairs, whether they come to us as lobby groups on local, national or international issues, whether they deliver services in our constituencies or whether they are organisations or individuals, those in the voluntary sector are at the heart of what society and communities are all about. We should give them every support, not so that they do what we want them to do, but so that they do what they do best, within the framework of helping others. That is what most of them exist to do—it is certainly what I believe this Government exist to do.

3.55 pm

Mr. Martin Horwood (Cheltenham) (LD): Thank you for allowing me to participate for the first time in a Westminster Hall debate, Miss Begg. This is also the first time that I have sat, albeit in a rather minor capacity, in a Front-Bench position. I see, however, that the definition of a Bench is as difficult to pin down as the definition of a volunteer.

I join the Minister in celebrating the year of the volunteer. Like the hon. Member for High Peak (Tom Levitt), I had the pleasure of meeting an older volunteer from my constituency this week. Pat Dicks, from the Hester's Way neighbourhood project, is one of many hundreds, and probably thousands, of people in Cheltenham who volunteer. The Cheltenham volunteer bureau, which acts as a sort of dating agency for volunteers and the causes that might want them—it is not a dating agency for volunteers—has found more than 100 volunteer drivers and other volunteers for Cheltenham community transport. There are other projects that deal with more difficult issues. Cheltenham community projects works with young people in Cheltenham who are most at risk from drugs and crime and it has found more than 100 volunteers in the town.

The voluntary sector is alive and well. I know that from personal experience because I spent my whole career before coming to the House in the voluntary sector or working with it. I was director of fundraising at the Alzheimer's Society for quite a few years and I know from firsthand experience how valuable and vibrant the volunteer element of the larger charities is. I agree with the hon. Member for High Peak that the public sector could learn many lessons from the voluntary sector, and one of them relates to my experience as a new Member of Parliament. When I joined voluntary sector organisations, I was generally given an office, a telephone, a printer and a working computer on my first day. If I had expected any of the volunteers whom I managed over the years to spend seven weeks without those things, I expect that they might have left by now.

Mr. Andrew Turner: It is the same in the Conservative party.

Mr. Horwood: It is a cross-party cause. I might make common cause with new Members from other parties.

Evidence from volunteers at the Alzheimer's Society also had an important impact on public policy when the National Institute for Clinical Excellence first considered the anti-dementia drugs. Evidence from volunteers, rather than from clinical trials, about the impact that those drugs had had on their lives influenced NICE to give the first anti-dementia drugs the green light, which was much appreciated at the time. We now seem to be going through that cycle all over again, however, which is a shame, but the role played by volunteers was significant.

I join the Minister in welcoming the increasing variety and diversity in volunteering. I welcome the fact that he is trying to achieve broader access to volunteering, as I am sure that we all are, especially for those from black and minority ethnic communities, who have not always felt welcome in the traditional volunteer structures of British charities. I also welcome the efforts to encourage more young people to volunteer, although that is increasingly difficult. Indeed, as I am sure that all Members have heard, it is often difficult to attract volunteers these days. That is partly to do with people's much longer working hours, but it is also to do with the increasing burdens that are being placed on voluntary organisations, and I have much sympathy with the comments made by the hon. Member for Isle of Wight (Mr. Andrew Turner) in that respect.

It would be nice to think that the traditional well-meaning and rather casual approach to volunteering could continue, but time is moving on, and different ways of approaching volunteering are coming in. I am glad that the hon. Member for Stroud (Mr. Drew), who has now left his place, referred to the time-bank movement, which is an exciting new initiative and an exciting way of promoting volunteering. There are now 70 active time-banks, with 4,000 active participants. Time-banks have traded more than 210,000 hours of volunteer time, and I am proud to say that 4,670 of them were in Cheltenham.

There are also the large fund-raising events, which encourage volunteer fund raising. Traditionally, the biggest has been Christian Aid week, but Cancer Research UK's Race for Life and the breast cancer moonwalk are other good examples.

Volunteering is changing in more difficult ways, too. Safety and financial regulations—the burden of red tape to which the hon. Gentleman referred—are making life more difficult for voluntary organisations. Cheltenham rotary club told me only a couple of days ago that it now has to send two volunteers every time that it visits an elderly person in Cheltenham at home, forcing the club either to double the number of volunteers or to halve the number of visits that it can make.

The Whaddon neighbourhood project told me this morning that mums used to be able to walk into the project if they were known to it and might be able to volunteer on the spot to run a playgroup. Now, if they want to run a playgroup they have to endure a one-and-a-half hour suitable persons interview by Ofsted. The direct result is that although suitable persons may be appointed to run playgroups, it also means that far fewer people are volunteering to do so. The Alzheimer's Society in Cheltenham told me that it has spent nearly a year trying to find a suitable treasurer, partly because of the off-putting amount of financial regulations for charity accounts.

In each of these examples, there is a justifiable case for what is being done. Older people need to be safer, playgroups should be run by suitable persons and charity accounts should be properly produced, but the cumulative effect of all that is a great burden on voluntary organisations, especially those that themselves rely mostly on volunteer support and do not have full-time staff.

The Minister referred to steps that might go some way towards alleviating the amount of red tape and if they really are contained in the Charities Bill—we shall know when it comes back to the House—they would be very welcome. There have been other suggestions: the private Member's Bill introduced by the hon. Member for Canterbury (Mr. Brazier) last year suggested that a statement of inherent risk be presented to those engaging in volunteer activities. That might cover some of the issues that have been raised in the debate.

Employment rights are high on the agenda at present, partly because of the difficulties encountered by the Royal National Lifeboat Institution with some of its volunteers. It is partly because the line of definition between volunteer and employee is becoming blurred. Anna Reeves from the Whaddon neighbourhood project told me that in terms of induction, information and support provided, "You have to treat volunteers like employees. You have to care for them in the same way as employees." That is what I did myself as a manager of volunteers and full-time employees in the Alzheimer's Society. It is not because we were straying from the proper practice; indeed, we thought we were using good practice by treating volunteers in the same way as employees and trying to give them the same rights and the same workplace facilities as paid employees. For example, when I was organising a training away day for my team, I was in the habit of having team-building events where prizes were awarded. They were not substantial prizes, but chocolates and things like that. I had training sessions which, in some cases, went well beyond what the volunteer members of my team required to do their job.

I did not realise that I might accidentally have been conferring employment rights on those volunteers by involving them in training that went beyond their immediate job, offering them benefits and rewards that were outside their immediate costs as volunteers. Having prepared for this debate, I am slightly concerned about that. That may be an extreme example, but the confusion is there in the law.

There are several definitions in law of a volunteer, one of which is in section 44 of the National Minimum Wage Act 1998 which states that a volunteer is someone who receives

(b) no benefits in kind of "(a) no monetary payments of any description, or no monetary payments except in respect of expenses—

(i) actually incurred in the performance of his duties; or

(ii) reasonably estimated as likely to be or to have been so incurred; and

any description, or no benefits in kind other than the provision of some or all of his subsistence or of such accommodation as is reasonable in the circumstances of the employment."

That is quite a restrictive definition and what I did for the Alzheimer's Society away day goes beyond it.

There would also be a problem if we were to adapt the definition into any future definition in law of what a volunteer is, because section 44 of the Act also defines a volunteer rather strangely in terms of who they work for. It states that a volunteer is a

"worker employed by a charity, a voluntary organisation, an associated fund-raising body or a statutory body",

and nothing else. Some of the organisations that the hon. Member for High Peak mentioned would fall outside that category.

It is no longer the case that volunteering exists only in the charity sector. The hon. Member for Isle of Wight mentioned political parties, which clearly do not fall within that category. What about people volunteering for a village shop in order to try to prevent it from closing? What about people working for a charity trading company, which is strictly not a charity? What about people working for a social enterprise such as the non-profit making company that is soon to be pioneered in Cheltenham for recycling? What about an employee of an organisation such as the Body Shop, which is clearly a company, but which encourages its employees to participate in human rights campaigns? What about an employee of Tesco taking part in the Tesco charity of the year? As director of funding at the Alzheimer's Society, I was involved with that because the society was Tesco charity of the year in 2001. One gentleman pushed a pea around Tesco stores with his nose; he was a Tesco employee, and I am not sure whether he was doing it in Tesco time, but was he volunteering or working for Tesco? Would he be able to claim against Tesco for the damage done to his nose in the process—which I understand was quite considerable since he did it for a few hours?

Unless we defend volunteering against such confusion, there is, as the hon. Gentleman said, a real danger of stifling volunteering, and discouraging people from volunteering and organisations from the risk, the burden and the complexity of taking on volunteers. We must provide a protected space for volunteering in which regulation and law tread more lightly. I do not think that that means that volunteers do not have rights, and there are clearly some ways in which volunteers should enjoy the same rights as employees. Sexual and racial harassment at work is an obvious example, as is bullying at work. I regret that these things can sometimes affect volunteers. However, we need a clearer and simpler definition of what it means to be a volunteer, and which rights that does or does not confer, even when good practice might go further than that.

The recent cases with the citizen's advice bureaux—South-East Sheffield v. Mrs. Grayson and Redbridge v. Mr. Hewish—centred around exactly whether the volunteers in those CABs were actually employees because of the nature of their contracts, and the duties that were laid down for them. In both cases, the final appeal tribunal said that those volunteer contracts did not equate to employment contracts, so those people did not have the same rights as employees. However, in both cases, they were pretty fine judgments, and if I were going back into the voluntary sector to manage volunteers, I would worry a little about such fine judgements and whether I was staying on the right side of the law. We should not make it that difficult to manage volunteers.

There are a couple of ways that I would suggest we might consider to make life simpler for charities and easier to understand for people who want to volunteer for charities and other organisations. One is the statement of inherent risk suggested in the private Member's Bill last year; that is worth reconsidering. Another is a simple and clear form of volunteer contract that is recognised in law. Unlike in the CAB cases, when a volunteer signs a legal volunteer contract, they know that they are a volunteer, that some rights attach to them and that some do not. That would make the lives of volunteers and the organisations employing them easier. At a time when so many other things are making the lives of such organisations more complicated, it would be nice to find some elements of Government regulation and legislation that made their lives simpler.

4.9 pm

Mr. Dan Rogerson (North Cornwall) (LD): Although this is not my first debate in Westminster Hall, it is my first on the subject of volunteering, and I am delighted

[Mr. Dan Rogerson]

to be able to take part in it. I hope that it will be the first of many on such a vital subject in this Parliament. As we all know, voluntary organisations provide support, community action, entertainment, education and advice. As a new Member, I could fill my summer with diary appointments many times over with invitations from various voluntary organisation that want me to go to see their work. For example, in my home town of Bodmin, the Lions hold a country fair in which many voluntary groups take part. It is an opportunity for them to raise money for the projects in which they are engaged. Next month there will be a green fair in Wadebridge, where local environmental charity organisations will demonstrate what they do. I am particularly pleased to have been invited to meet children from Chernobyl, who will visit north Cornwall for a holiday organised by a voluntary group.

The strength of commitment, the level of organisational skill and the sheer positive energy that is demonstrated in the voluntary sector is a source of amazement to me. However, that work is often done in spite of huge obstacles. The hon. Member for Isle of Wight (Mr. Turner) gave a long litany of instances that no doubt horrified all of us. Such events are hugely demotivating to volunteers.

The hon. Gentleman rightly pointed out that political parties are still largely, and rightly, voluntary organisations, although he did not mention the fact that his party is reviewing its arrangements for electing a leader, with a view to removing the participation of voluntary members. I assume that he opposes any such change.

Some of my constituents have raised a few special issues relevant to the debate in recent months. First, as to the disaffiliation of local groups from a national charity organisation, I have been contacted by Gateway clubs, which were set up as groups sponsored by Mencap to provide a social outlet for people with learning difficulties. A series of guidelines and responsibilities are now being passed on to them by Mencap, which has to bring them in to protect itself from threats, given the litigious culture to which other hon. Members have referred. Many of the smaller local Gateway clubs do not feel that they can undertake the extra work that Mencap requires of them, and they are considering ways to disaffiliate from it. That is a great shame, and I hope that the clubs will be able to continue with their work.

Secondly, some public bodies that rely on volunteering, and independent organisations that are so invaluable as to be alternatives to official Government bodies, are affected. The coastguard in my constituency has a network of auxiliary coastguards and coastwatch groups, which provide vital protection. Two locally respected auxiliary coastguards in the area set up a project designed to draw the attention of people from outside Cornwall—particularly in schools in the midlands—to the dangers of the sea. Unfortunately, because of complications with a lack of funding for the project they were subjected to a form of tribunal, similar to the one that my hon. Friend the Member for Cheltenham (Mr. Horwood) spoke about, and were treated as though they were employees of the Maritime and Coastguard Agency in some respects. I hope to be able to help them to receive a better hearing of the issues in their case.

I pay tribute to the work of the two citizens advice bureaux in north Cornwall and Restormel. They, too, face a tough financial future because their local authority funding cannot grow indefinitely. All councils face tough financial settlements, given the responsibilities that are placed on them by central Government, and hindered as they are by what I argue is the unfair council tax system, although that is a matter for another occasion. The hon. Member for High Peak (Tom Levitt) mentioned his local council having to cut funding, and I expect that all hon. Members would find that unsurprising. Many councils are having to do that, and to review, in the light of their spending commitments, the support that they can offer voluntary organisations.

I pay tribute to the retained firefighters who are the vast majority of the brigade members in Cornwall. For a volunteer to work through the night fighting a fire and then to go on to do a full day's work is something that we must all respect. It behoves us to ensure that all retained firefighters are given as much support as they can reasonably expect in balancing their role with work and family commitments.

The hon. Member for High Peak also mentioned rescue groups. The Cornwall rescue group has told me of problems that it has faced, particularly with the incident at Boscastle in my constituency last summer. Vital work was done by that group, but one issue that came to light was the use of blue flashing lights. Members of the group used those lights to get to the scene on time, but then they received letters of complaint. They need to register their vehicles as ambulances to use blue flashing lights, and there are added requirements connected with that.

The group also raised the issue of funding, which the hon. Gentleman mentioned too. As an example, the fantastic work done by the Royal National Lifeboat Institution in my constituency means that it has been able to invest £5 million in a new lifeboat station. That is wonderful, but the RNLI has a great fundraising record and a profile that allows it to raise money across the country far more effectively than rescue groups. I am told by the Cornwall rescue group that it would cost only £4 million to fund all the mountain rescue teams nationally, compared with £5 million for one lifeboat station.

In bringing these local issues to the attention of Members, I am trying to show that voluntary work usually leaves workers unrewarded for what they do. They do not expect any reward, but they do expect support from Government agencies and local government and an understanding that they work often at huge personal cost. I hope that the issues raised in the report are taken up by the Government so that voluntary organisations can be given the support that they deserve to continue their great work.

4.17 pm

Paul Goggins: It has been an excellent debate, and the comments of all hon. Members indicate that there is no difference across the political parties on the value that we place on volunteers or on the role of the voluntary and community sector. I will endeavour to respond to

the specific points that have been made, and I hope to do so reasonably accurately, although there is always the usual reserve offer to write to hon. Members if I miss anything.

I begin with the comments made by the hon. Member for Isle of Wight (Mr. Turner), who gave a clear indication of the number of voluntary organisations that operate in each constituency—literally hundreds in most. He spoke rightly about the need for us to recognise and celebrate the fact that voluntary and community organisations reach out to the edge of our society and to the most vulnerable people. We should value that, and we will continue to do so. Those organisations play an important role in giving a voice to people who otherwise remain powerless and excluded. It is often out of that experience that voluntary organisations grow new ideas and develop innovative responses to the problems that people face.

We intend to honour our manifesto commitment to enable voluntary and community organisations to deliver mainstream services where they have shown a capacity and willingness to do so. In the words of our manifesto, they will work on equal terms with other bodies, both public and private. It is important to do that, and my hon. Friend the Member for High Peak (Tom Levitt) spoke about the added value that volunteers bring to Stepping Hill hospital, which serves his constituency despite not being in it, by enhancing—not replacing—the services provided.

The hon. Member for Isle of Wight invited me to go where I fear to tread and to make comments, and perhaps even promises, on tax breaks that might be in the offing. My right hon. Friend the Chancellor of the Exchequer will undoubtedly cover that issue—he frequently does in statements to the House and Budgets. What I can tell the hon. Gentleman is that this Government have done more than any previous one to promote tax-efficient giving and gift aid. All of us would like more people to give money in a tax-efficient way, and thus maximise the amount that the Treasury puts in. In 2002, charitable giving amounted to £7.3 billion; the more tax-efficient it becomes, the higher will be the overall total. In the few weeks that I have had this job, it has become apparent that, through the tsunami disaster appeal, more people have realised how easy it is to give tax-efficiently by using the gift aid scheme. That is a breakthrough, and I hope that more people will use it.

Tom Levitt: It is remiss of us all not to have mentioned one aspect of the voluntary sector that has hugely benefited by those measures. I speak of the community amateur sports clubs. For many of them, the tax changes have revolutionised their way of working. In my constituency, many have benefited to the value of tens of thousands of pounds. They are most welcoming of that measure.

Paul Goggins: My hon. Friend gives a good example. I know that Ministers across Government will continue to look at ways in which we can enable that kind of support to be available.

The hon. Member for Isle of Wight referred to some of the proposals emerging from the Russell Commission. Further details will emerge in due course. We are in the process of establishing an implementation body to work on the details, but it gives us a tremendous opportunity to transform opportunities for youth volunteering. It will need to be done in a way that reflects the aspirations and interests of young people, and the local context of each and every community, rather than being a top-down enterprise.

A number of hon. Members spoke about risk, the cost of insurance and so on. It is an important issue, and legislative attempts have been made to get to grips with it. We seek to get to grips with it through the Compensation Bill, not only in relation to volunteers but more broadly. None of us wants to see a compensation culture, with people making applications for compensation for what appear to be trivial reasons. We want society to reflect the reality that risk can never be completely eliminated. We want people to be aware of the risks that they run; they can then move forward with confidence.

In 2003, one child died as a result of an incident on a school visit, but more than 7 million children went on school visits that year. There is a risk and we need to ensure that we manage it effectively, but we want to drive against the compensation culture. As I said earlier, my right hon. Friend the Prime Minister has given a personal assurance that if people act with reasonable care and reasonable skill, they will not be held liable for untoward incidents. It is important to reflect that in our legislation.

Mr. Horwood: I referred to the Promotion of Volunteering Bill, which offered a possible way out of that dilemma. A statement of inherent risk would be presented to volunteers on events such as school trips—or even cooking sausages on field trips.

Paul Goggins: The Government were not unsympathetic to that Bill and tried to find a way forward, but it was not possible. However, we hope to achieve at least some of what we have been discussing through the Compensation Bill. Some of those issues can be resolved by legislation, but part of the problem is cultural. It is about establishing proper and trusting relationships so that, where risk is recognised, people go into things literally with their eyes open. We will continue to try to find ways to tackle the problem; we do not want to put off people who would otherwise volunteer, as volunteers make a really important contribution.

Hon. Members referred to the Transport Committee report on search and rescue, which is important. I shall not comment this afternoon on the specific recommendations made in that report, other than to say that a number of Departments are looking at them carefully and constructively. The Department of Transport is the lead Department, and I expect that it will give a full response to that report before the end of the month. I hope that that offers hon. Members who raised those concerns some reassurance. We take these issues seriously and will respond in full to the recommendations.

Hon. Members referred to red tape, which we are seeking to reduce through the Charities Bill. The Bill has wide support, which is welcome. It received more than 30 hours of scrutiny in the House of Lords before the general election and is now receiving further scrutiny. It

[Paul Goggins]

will probably come to us as a Bill that has been scrutinised as no other Bill ever has been, because it also went through pre-legislative scrutiny. However, that has allowed clarification and support to build, so I hope that when we discuss it on Second Reading and subsequently, we will be dealing with fairly fine-tuned legislation.

There are issues surrounding Criminal Records Bureau checks. Checks on and for volunteers have never been charged for, but there are administrative costs. I assure hon. Members that we take these issues seriously. Discussions are continuing on ways in which systems can be improved and costs can be reduced and kept to a minimum. Obviously, we do not want to overburden with costs organisations that need to have those checks carried out, but it is very important that we do not take on as volunteers people who pose a risk to vulnerable people. At the same time, we need to do so proportionately.

I shall move on to the comments made and questions asked by my hon. Friend the Member for High Peak. He began by referring to the reception on Tuesday evening, which, unfortunately, I was unable to attend; I apologise for that. It was a good example of where the Government can put some money in to get something started, but with a view to ensuring that it is sustainable over time. Overall, the Government put about £20 million into Experience Corps and, as my hon. Friend made clear, it is now self-sustaining.

My hon. Friend spoke about the role that older people can play and he reminded me of my next-door neighbour, Nellie Gregory, a lady in her 90s who still knits blankets and refers to doing things for the old folk in a way that reflects a youthful appetite for activity and community involvement. We all know such people in our communities and it is excellent that we now have a body that values and promotes such activity among older people. I thank my hon. Friend and acknowledge the work that he has done for the all-party group. Whatever name it has or might have in future, we all know what it and he are trying to do, and we value that very much. He referred to many organisations in his constituency. We know from our own experience how valuable such organisations are and that life would be impossible for our constituents without them.

The compact should govern the relationship between voluntary and community organisations and all public bodies, which should include Departments. I assure my hon. Friend that as we review the working of the compact and come to the end of the consultation, I will have in mind all public bodies, not only local authorities, because simple things, such as ensuring that bills are paid on time, are the difference between surviving and not surviving for the organisations involved.

My hon. Friend put 10 questions to me, some of which I may have answered already and some of which I may answer later. I want to offer him the assurance that he sought on "ChangeUp". Through "ChangeUp", we are trying to ensure that small local organisations have the capacity, in terms of financial administration, IT and other support, to be sustained in a way that is practical for them. We want "ChangeUp" to be sector-led, not Government-driven: we want the sector to take charge and manage its development. We want what my hon. Friend asked for, which is small local organisations being given the capacity to work well.

I have covered the compact, which was the subject of my hon. Friend's second question. His third question concerned sustainable funding. Again, I agree. Of course, this issue reads across into the compact. We have tried to work towards three-year funding in respect of government and we need to develop more and more of that with the voluntary and community sector. We must also develop a mindset in the recipient as well as the grant giver that funding may not continue for ever and ways must be found to sustain and develop other funding streams. It is also about organisations developing a supporter base that can go on ensuring that they are financially secure. So there is a range of measures to consider, but sustainability is certainly key.

Future builders is another big Government initiative and is really a system of loans rather than grants. We are trying to make it part of the mindset of voluntary organisations that if they borrow money, invest it, modernise and improve, they become a more sustainable organisation in the long term. That seems to be a modern way of thinking.

My hon. Friend the Member for High Peak asks whether we will continue to do what we can to ensure that the public sector learns from the voluntary and community sector. He is right to point that out that there are innovations in that sector from which we can all learn, and we should continue to do so.

My hon. Friend the Member for High Peak, the hon. Member for Cheltenham (Mr. Horwood) and others mentioned the legal status of volunteers. That is an issue. There is a parallel between a volunteer and a paid member of staff, but there are also differences. I regard treating people properly with respect and dignity as something that all voluntary and community organisations—indeed, any organisation that uses volunteers—should do. Equally, we do not want to initiate anything that makes it more burdensome for organisations to work with volunteers. We would prefer to promote good practice than to impose a burden on organisations. If we get into discussions about contracts, which were mentioned in the debate, we may begin to change the nature of the relationship between a volunteer and an organisation. We need to be very careful, and emphasising good practice is a good way to proceed. I assure hon. Members that we continue to discuss these issues with organisations in the sector so that we can find a practical way forward that really works for them, rather than overdoing things and placing statutory requirements on them that may become very difficult to sustain.

My hon. Friend the Member for High Peak asked about the role of the private sector and what we were doing to promote it. He referred to the United States, which has a very different culture and approach. I spoke only yesterday to someone from the US who talked about the main corporates in America having philanthropy departments and about the fact that volunteering time and money is a mainstream function of each large organisation. We are some way off that, but it is important that we encourage an approach in

corporate bodies as well as in individual givers that volunteering is important and that they should be contributing to it.

Mr. Horwood: If, in exploring his new duties, the Minister meets Business in the Community, he may discover that there is often rather more of a corporate philanthropy culture and structure in many British companies.

Paul Goggins: I am aware of that, but I believe that companies recognise the difference between the approach taken here and the approach taken in the US. I acknowledge that many companies have grasped the idea and are generous givers—that is the case in my constituency, and we can all highlight good examples—but, overall, we need to promote an even more ambitious engagement of our corporate life in the life of our communities.

Tom Levitt: I welcome the direction that my hon. Friend's speech is taking. My impression is that larger companies are often better at corporate philanthropy than smaller ones. Only today, I received a letter from Lloyds TSB about the grants that they had given to voluntary bodies in my constituency. However—Business in the Community, to which I was talking only last week, would probably agree with this—small and medium-sized businesses in communities do not regard it as their job to support voluntary organisations. Business in the Community is properly trying to promote giving at that level. It is more important to get that going at local level, with employees engaging in the local voluntary sector, than at corporate level, where the issue can be addressed simply by giving out a cheque.

Paul Goggins: I agree. I pay tribute to Business in the Community and other organisations that promote the role of business not only by giving money but by giving opportunities, which is at least as important, whether they be through work experience or other schemes. Small companies have a tremendous opportunity to do things that may represent small steps, but make a big difference in their communities.

My hon. Friend invites me to delete the word "charity", but I do not think that we shall do that. I understand the comments that he made, but it is also important to respect traditions and where we have come from, and "charity" reflects that.

I explained that the response to the Treasury Committee's report would be available by the end of the month, and I dealt with the issues relating to my hon. Friend's ninth and tenth questions when I responded to the comments made by the hon. Member for Isle of Wight.

The hon. Member for Cheltenham made an excellent speech as a new Member of Parliament and a new member of his Front Bench team. I look forward to future debates on volunteering and other issues with him. He spoke from his personal experience of the sector, demonstrating that he was well informed and had a grasp of how important the sector was.

The hon. Gentleman mentioned time banking, which gives me an opportunity to say how much we value the work of Time Banks UK, to which the Home Office has issued a £50,000 grant. Time Banks UK can reach out to some of the more excluded groups, which do not naturally get involved in traditional forms of volunteering. I assure him that we recognise the importance of such work.

The hon. Member for North Cornwall (Mr. Rogerson) paid tremendous tribute to organisations in his constituency, which includes rural communities and a coastline. He referred to the RNLI and retained firefighters, and the work that both do. All that is part and parcel of life in his constituency, which in many ways is the same as life in my constituency, although there are many differences too, in that I represent an urban area. Whatever area any of us represent, we are all aware of the value of such organisations.

I end by discussing the difficult issues of risk and the legal status of volunteers, to which reference has been made throughout the debate. I should like to draw attention to a good publication by Volunteering England called "Volunteers and the law", which sets out many of the issues clearly and in detail. Volunteering England is a key partner for the Home Office and I assure hon. Members that we shall continue to discuss such issues with all the organisations involved.

This has been an excellent debate. It has reflected the importance of the voluntary and community sector. I end as I started, by paying tribute to the 17.5 million people who go out and do a voluntary activity at least once a month, and to the many more who, more occasionally, perform a voluntary act to help their neighbourhood. That is something that money cannot buy, but it adds so much value to our communities. We pay tribute to those people for that.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes to Five o'clock.

Westminster Hall

Tuesday 28 June 2005

[MR. BILL OLNER *in the Chair*]

Telecommunications Masts

Motion made and Question proposed, That the sitting be now adjourned.—*[Claire Ward.]*

9.30 am

Mr. Bill Olner (in the Chair): I have chaired the proceedings in Westminster Hall many times, and I have never seen such a great array of hon. Members before me for a debate on such a subject. I have been notified that a couple more hon. Members want to speak, but if Front-Bench spokesmen and others are brief, I shall try to accommodate as many hon. Members as I can.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): May I thank you, Mr. Olner, and through you Mr. Speaker, for giving me the opportunity to secure this debate on planning regulations for mobile telecommunications masts, which are generating huge interest up and down the country and among colleagues. I also thank the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick) for being in the Chamber to respond to this important debate.

There is a desperate need to address the many serious concerns about the Government's policies on planning regulations for mobile telecommunications masts. It is ironic that mobile phones, which were created to allow connection and conversation between people separated by distance, have proved how distant the Government are and how incapable they are of listening, even to the most persistent interlocutors.

Each time the Government have gone through the motions of listening to people's concerns, it quickly becomes apparent that no real action has been taken. When the Government claim to accept:

"the importance of ensuring that effective public consultation"—[*Official Report*, 18 October 2004; Vol. 425, c. 743.]

takes place, as the then planning Minister—the current Under-Secretary of State for Education and Skills, the hon. Member for Corby (Phil Hope)—said on 18 October 2004, they also quietly admit that that really means that arrangements are necessary to ensure that development is not delayed.

The Office of the Deputy Prime Minister press release on 9 December 2004 said:

"People have a right to know where masts are located."

At the same time, however, the Government go to great lengths to prevent obtrusive new masts from being subject to planning permission.

The then planning Minister continued:

"these planning cases would be more likely to end up as planning appeals . . . because an application had been refused."—[*Official Report*, 18 October 2004; Vol. 425, c. 744.]

The Government are speaking with forked tongue; they claim to be listening to people's concerns about the effect on health of telecommunications masts, while a planning Minister sends out explicit instructions to councils that they should not impose a ban on mobile phones on health grounds.

The Government are simply not listening. Following the Stewart report, they promised to hold several consultation exercises, but they have clearly not taken enough exercise and must now be shown how to get planning permission for mobile telecommunications masts back into shape.

The Government must not be seen to accept the £22.5 billion third-generation mobile phone licence fees and then ignore the concerns of many worried constituents, yet that is exactly what appears to have happened when an august and unbiased body such as the Library says in its debate pack of 20 June 2005 that Government policy is

"most notable for not giving ground to objectors against masts".

I would be very interested to hear from the Minister about the outcome of yesterday's meeting between the Minister of State, the hon. Member for Norwich, North (Dr. Gibson), and Alan Meyer of Mast Action UK. What flaws in Government policy on planning permission for telecommunications masts did Mr. Meyer highlight in that meeting?

As things stand, the *New Scientist* of 10 February 2001 predicted that 3G operators will need at least 100,000 new masts to facilitate their service. That figure, however, is based on an assumption that the current system will prevail for some time. That is not the best way forward.

We are much more likely to enjoy innovative solutions if we can give local communities more influence over how the increasing demand for supply is satisfied, and innovative solutions must involve things such as mast sharing and roaming, which operate very successfully on the continent.

Mr. James Arbuthnot (North-East Hampshire) (Con): Will my hon. Friend say what the telephone companies have against roaming? If it operates well in other countries it must work technically, so is this simply a financial matter for the companies?

Mr. Clifton-Brown: I thought about that deep into the night last night. Surely the answer is that we know, because it works on the continent, that the technology works perfectly. Therefore, the first half of my right hon. Friend's proposition must be correct. It probably does reduce competition, but as local people are affected by the number of masts, we should keep that number to a minimum. One way to do that is to insist on mast sharing, where that is practical, and roaming. With modern technology, there is no reason why companies should not charge each other for the use of their masts when calls come through their respective apparatus.

However, under this Government's system, people have little control over developments that, according *The Independent* of 9 February 2005, can knock 10 per cent. off the value of their houses. They have no means of keeping track of the ever-expanding network of masts, as they would if it were compulsory to register new structures. I call on the Minister to introduce a register of all telecommunications masts. It will then be simple for people to go to their local authorities and find out where the masts are in their areas. That is not an unreasonable demand.

[Mr. Clifton-Brown]

The Government have introduced a traffic light system that takes into consideration communities' previous planning decisions. That suggests that there is some kind of quota system, under which the Office of the Deputy Prime Minister will accept only a finite number of planning permission refusals by each authority. That sounds rather like the approach to referendums by some Governments, who seem to think that the question should keep on being put until the voters give the right answer.

When the larger telecommunications masts erected for the railway network are "permitted developments", meaning that they do not need an application for planning permission, and when local authorities have to apply to the Government for an article 4 direction to remove operators' right to put up masts automatically, and then perhaps end up having to give them compensation, local communities do not feel that they are being listened to.

Lembit Öpik (Montgomeryshire) (LD): I congratulate the hon. Gentleman on having raised this important issue. Does he agree that that complaint, like a number of his other points, also applies to the Tetra network used by the police, and is he aware that a cross-party conference is being organised in the Boothroyd Room on 19 July from 11 am to 2 pm? All hon. Members who have an interest in the issue will be most welcome, and I hope that the Government will be represented.

Mr. Clifton-Brown: I congratulate the hon. Gentleman on having managed to give advance notice of his meeting. I have no doubt that many hon. Members present will wish to attend. He raises the important matter of Tetra masts, which have all sorts of issues associated with them, and which worry many local communities that have such big masts near them. Peter Jones from Actix, which developed new wireless technology for mobile companies, has warned that the number of masts could increase by three or four times. That means that we are slipping into a situation in which people can choose whether to have a mobile phone, but not whether to live by a mobile phone mast.

Many cases that have arisen around the country suggest that that state of affairs needs to be corrected. I draw the Minister's attention to one in particular. It is a sad case. The Merseyside Society for Deaf People in West Derby has found it impossible to overcome the problem of a mast that interferes with hearing aids, because the mast has been given an ICNIRP certificate—that stands for the international commission on non-ionising radiation protection. However, local campaigners are convinced that when such problems occur, such certificates are not worth the paper that they are written on. People feel that they have no control or influence over the masts that affect their environment; communities clearly do not have a large enough role in the consultation process.

I would be grateful to the Minister if he told me how he proposes to remedy the situation. Will the Government establish a national database of masts, as recommended in the Stewart report? When will they make a commitment to publish in full the reports by Reading university and Arup, and by Micro Consultants Limited, so that communities have access to the relevant information? Will they publish the report by the Defence Science and Technology Laboratory on epileptiform activity and cognitive performance, so that people's fears about health issues can be addressed?

Health concerns relating to telecommunications masts are not limited to Merseyside. I do not intend to dwell on health issues—that is not the purpose of the debate—but they are important, and must be mentioned. Many of my constituents in the Cotswolds are not only concerned about protecting the beautiful countryside that surrounds them, important as that is, but worried about the risks to schools lying in the radiation of the beam of greatest intensity from masts. They have limited confidence in the precautionary principle laid down in planning regulations and are aware that, as I said, the Government have not published all the reports that they have received on the potential health risks.

James Brokenshire (Hornchurch) (Con): My hon. Friend makes a good point about the planning legislation. In fact, planning policy guidance note 8 actively prevents health issues from being taken into account. The framework is also such that all the operator has to show is that alternative sites have been considered. In my constituency in the past week a planning appeal has gone against us because the operator did that, even though the site of the mast is in a green open space and the mast will adversely affect amenity.

Mr. Clifton-Brown: My hon. Friend is absolutely right. PPG8 enshrines the principle that mast applications should be accepted rather than refused. That presumption should be reversed.

The Government have issued guidelines and information on individuals' use of mobile phones—for those who use pacemakers, for example—but they have not issued similarly detailed information regarding mobile phone masts. Indeed, as my hon. Friend the Member for Hornchurch (James Brokenshire) has said—he must be psychic—the Government have actually prevented councils from objecting to mobile phone masts on health grounds, despite the Stewart report's recommendation that there should be a register of occupationally exposed workers.

As a result of such concerns, it is imperative that local communities be given more power over the location of their telecommunications masts. The easiest way for that to be achieved is to extend the requirement for full planning permission to all mobile phone masts, especially in sensitive greenbelt land and areas of outstanding natural beauty. I called for that in the Second Standing Committee on Delegated Legislation when we scrutinised the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2001 on 21 November 2001.

The current system exempts masts less than 15 m tall from the need for planning permission. That seems unfair to all those private individuals who have to apply for planning permission for the smallest alterations to their homes, although a neighbour's extension would have much less effect on the environment than a 40 ft tall

mast. Indeed, during the 2001 election I came across a case between Corby and Kettering in which a huge mast suddenly appeared within 30 m of a street of houses, and the residents had known nothing about it. When the matter was investigated, it appeared that a notice had been put up on a local bus stop—but of course, few people had read it. That is an unacceptable situation. I put it to the Minister that everybody should be consulted, and everybody in the near vicinity should have a notice put through their letter box.

Mr. Mark Harper (Forest of Dean) (Con): On that final point, we had such a case in my constituency, next to a school—in fact, it was on a site that the local education authority owned and had let out to the mobile phone operator. The school did not get any of the benefit, and because of the permitted development rights the local community was not consulted. The only person who was consulted was one of the local district councillors, who passed the information on to me, and we wrote to everybody in the area. A huge number of people were concerned, but if we had not taken that action, they would have been in complete ignorance of the fact that that mast was going to be put in place. The lack of openness breeds distrust and concern among local people, where there need be none.

Mr. Clifton-Brown: My hon. Friend and neighbour has raised a very good point. The mobile phone industry must be much less defensive and must have more constructive dialogue with the Government. Equally, the Government must listen to local people's concerns. That should be taken into account when the Government come to decide whether they should return power to local communities to shape their own environment, or whether they should continue to give almost unchecked power to mobile phone operators to put masts where they please.

I must make it clear, because no doubt the Mobile Operators Association will be on to me this afternoon, that I do not blame the operators for their actions. They are working in an incredibly competitive field and contribute a great deal to our economy, employing tens of thousands of people. Indeed, when the industry was first created the Conservative Government encouraged it, as we saw the great benefits of such a technologically advanced sector and the huge employment gains, and other benefits, that it would bring. However, there must be more openness and consultation.

The Government have boasted that the present system offers

"a major advantage for mobile phone operators."—[*Official Report*, 6 December 2000; Vol. 359, c. 118.]

That was according to the present Minister for Children and Families, who was Under-Secretary of State for the Environment, Transport and the Regions at the time. While seeming to ignore rural and urban communities, the Government have created a system that gives operators an automatic right of installation if local authorities delay decision making to take account of all the facts. They have awarded operators statutory undertaker status, allowing them to exercise compulsory purchase powers in collusion with the Secretary of State.

Instead, the Government should deliver on their promise to

"give local planning authorities and local people an idea of potential design solutions for particular sites".

According to the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), when he was a Minister, that would

"help to promote better dialogue and a collaborative approach"—[*Official Report*, 24 January 2001; Vol. 361, c. 1039.]

That seems a very constructive way forward, and in its report of 3 July 2004, the all-party group on mobile communications said that approach could be best achieved by subjecting all masts to full planning permission because that would result in

"a higher level of engagement and subsequent ownership of the process by local communities".

It went on to say that that would also benefit the operators by

"resulting in less objections, less likelihood of rejection of the proposals, and less confrontation between operators and objectors".

From an all-party group, that is a very constructive approach.

I am proud of my party's approach to this difficult issue, which contrasts with the Government's record on telecommunications masts. When we were in government, and before it was realised what the future rate of growth in the mobile network would be, we gave succour to a nascent industry that would employ tens of thousands of people. However, we also introduced a framework of regulations that has laid the basis for what needs to be done today. The Town and Country Planning (General Permitted Development) Order 1995 was introduced by a Conservative Administration, and it is now the only significant measure on which the Government can call.

Since 1997, we have tirelessly tried further to improve the regulation system for telecommunications masts. Colleagues have tabled a host of early-day motions and parliamentary questions, and we have offered the Government every encouragement to listen to local communities. We have a set of widely supported proposals for regulations for full planning permission, which my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) will no doubt elucidate from the Front Bench. We propose a single decision-making process for all masts, regardless of type or location, a commitment to increase local government's control over planning permission, and demands on the industry to demonstrate that proposed masts will not damage the local environment and that options for mast sharing have been extensively explored.

My party's work on the issue continues today. Beyond this Chamber, Conservative candidates such as Stephen Day in Cheadle are standing up for their local communities. On behalf of Cheadle Hulme residents, he is leading a local campaign against a planning application for a phone mast on Anfield road. He has highlighted the environmental—

Mr. Bill Olner (in the Chair): Order. It is time the adverts stopped and we continued with the debate.

Mr. Clifton-Brown: I am simply using Stephen Day as an example, Mr. Olner. He has campaigned against applications for masts in Yew Tree Park road and elsewhere in Hulme, and against applications in Bramhall, Woodford and Stepping Hill. I wish him further success in his campaign.

To conclude, this is an important and sensitive issue, which the Government clearly need to address. As you said yourself, Mr. Olner, this morning's attendance in the Chamber demonstrates that the issue is of huge interest to colleagues and to all our constituents. We owe our constituents a duty to get things right, and they deserve to have their environment and health protected. We live in a democracy, so they should be fully consulted on the application process, and the Government need to listen to their concerns.

9.49 am

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on raising this subject. Many people are concerned about it, and we need to keep the way in which we deal with applications under review. To that extent, I agree with him, although I am not sure that I would want to go on a tour of Britain, particularly to places where there might be by-elections. Nevertheless, he gave a balanced account of his concerns.

Last Friday meeting I attended a meeting in my constituency and in a village called Ince Blundell. A number of applications have been made over the years to site masts in the village and in the nearby village of Thornton, causing widespread concern among local people. I shall start with a few comments about that meeting before moving on to the planning system.

The meeting was addressed by, among others, a gentleman called Dr. Highland, who describes himself as an associate fellow at Warwick university. The hon. Member for Cotswold avoided the issue of health and the planning system, but I am sure that he would admit privately that, although people sometimes express concern about the visual impact of masts, their concerns are often about health.

Dr. Highland gave a PowerPoint presentation, to which, I noticed, a disclaimer from Warwick university was attached. I sat and listened carefully. I became quite alarmed that someone who claims academic eminence could present anecdote as evidence, when the two are incompatible. With a wave of the hand towards the end of his presentation, Dr. Highland said, "And of course, all of those who disagree with me"—Government scientific advisers of one kind or another—"shouldn't be listened to because they're either paid by the Government or they're in the pocket of the telecommunications industry."

I raise that example not to attack Dr. Highland under the cloak of privilege, although that might be the perceived effect of what I have just said, but because I am concerned that a lot of "punk science" is being perpetrated, which alarms people. The issue is serious and needs to be addressed, but the Stewart report is being dismissed in certain quarters, for whatever reasons, which is making people frightened about issues close to their homes.

I do not say that there is no problem. The Stewart inquiry was methodical and thorough, and it concluded that we cannot be absolutely certain that there is no health problem. We should therefore proceed cautiously. The collection and analysis of scientific evidence should continue, and should be properly funded and taken seriously by the Government.

My other point is that, in a sense, we should probably not be having this debate, on these terms. Most people are concerned about health issues; however, I am not sure that the planning system is the right way to deal with those concerns, although a completely redesigned planning system might be able to cope. The planning system was invented, as it were, in the 19th century as a result of concern about the squalor in which people lived and its contribution to poor public health. The system has evolved over the past 50 years or so, but it can no longer properly deal with such problems. If people are genuinely concerned about the siting of a mast because of its visual impact or for other reasons, that will be a planning issue, but I contend that most people are worried about public health.

Several hon. Members *rose—*

Mr. Howarth: I shall give way in a moment to the hon. Member for Cotswold, whose debate it is.

The point is that visual and planning matters are secondary to what I perceive to be the public's main concern, which is uncertainty about public health.

Mr. Clifton-Brown: As my hon. Friend the Member for Hornchurch (James Brokenshire) made clear, PPG8 specifically states that the planning authority is not allowed to take health issues into account. If it were rewritten so that health issues could be taken into account in certain circumstances, the situation would be different.

Mr. Howarth: The point that I was making—I apologise if it was less than clear—is that irrespective of any guidance issued by the Department, I am not sure that the planning system is the way to deal with public health. For one thing, most professionals in planning departments simply do not have the qualifications to evaluate public health issues. They could perform an evaluation through the local primary care trust, but what would it be based on? It would be based on known science, and we know from the Stewart inquiry that that is less than clear.

Mark Pritchard (The Wrekin) (Con): Will the hon. Gentleman give way?

Mr. Howarth: I will give way once more, but the more time I take the less there will be for others.

Mark Pritchard: Is the hon. Gentleman suggesting that there should be a statutory consultation process involving health and safety experts as well as the local planning authority? If so, is that the position now taken by Her Majesty's Government?

Mr. Howarth: The hon. Gentleman should know that the reason I am speaking from this position is that

although I support most of the things that the Government wish to do, I do not speak for them. I am making a constituency speech. With his customary wit and elegance of language, the Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), will state the Government's position.

If the hon. Member for The Wrekin (Mark Pritchard) will bear with me, he will understand in a moment the central point that I am trying to make. Suffice it to say that even if the guidance to which the hon. Member for Cotswold referred a few moments ago was withdrawn and changed, the planning system would still not be properly equipped to deal with that class of issue.

Mr. David Drew (Stroud) (Lab/Co-op): Will my hon. Friend give way?

Mr. Howarth: I will give way—but for the last time.

Mr. Drew: I thank my hon. Friend; he has been generous in giving way. Part of the problem is that the Government are not objective observers. My hon. Friend will know that they are deliberating on the firelink proposal, the future communications system for the fire service. I hope that the Government will consider minimising the number of new masts, should any be needed. I am sure that my hon. Friend will agree the Government have a vested interest.

Mr. Howarth: My hon. Friend has made his point and I do not intend to respond; perhaps my hon. Friend the Minister will do so. However, given people's concerns, and given the uncertainty about the public health issues involved and the science behind them, there is, as my hon. Friend said, an argument for minimising the use of masts through mast sharing and roaming, to which the hon. Member for Cotswold referred. I imagine that we could minimise the use of masts to quite a large degree.

I do not have any data on the subject, but that seems to be the most useful way forward. However, if sharing and roaming is to happen, it cannot be driven by local authorities, because it will in part be outside local authority control. It cannot be confined within local authority boundaries. I would like the Government to take a fresh look at that, and to try to work out a system with the industry whereby the use of masts is minimised through mast sharing and roaming. However, that must be co-ordinated centrally; it cannot be left to local authorities, because they do not have the necessary powers or the scope to do so. If we adopt the appropriate precautionary principle, there must be an agreement between the industry and the Government and a definite plan and strategy to make it work.

In the absence of clear scientific evidence about the health effects, the appropriate way forward is to co-ordinate precautions nationally to minimise the use of masts. I hope that my hon. Friend the Minister, who is always eminently reasonable, will think about my comments and consider whether we can deal with the matter better in future.

10.1 am

Jo Swinson (East Dunbartonshire) (LD): Let me first congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing this debate on an important issue. I want to touch on three points: local consultation, permitted development rights and the inclusion of health implications in the planning process.

I know—not just from my mailbag, from my email inbox and from knocking on doors—that this is an issue in my constituency. Using the new pledgebank.com website, I recently set up an online pledge to organise a public meeting in my constituency about mobile phone mast applications if at least 20 people showed an interest in attending. The speed at which the required 20 people signed up to the pledge shows the level of interest in the issue ,at a time when there is apparently little appetite for old-fashioned political engagement at public meetings and suchlike. That meeting will take place later in the summer, and I hope that representatives from mobile phone operators will attend.

That meeting will be useful, because there has been a lack of consultation. One mobile phone operator who wants to site a mast in Bearsden recently agreed to meet local residents for consultation, but only if there would be no more than 10 residents at the meeting. That is not my idea of adequate consultation.

We all recognise the need for mobile phone masts. Most of us, and most of our constituents, use mobile phones and enjoy the benefits of convenient communication. The key is to ensure that the masts are sensitively sited, and that requires meaningful consultation at the start in local areas.

Hon. Members will be aware that Scotland is often a pioneer leading the way, and so it is with the planning process for mobile phone mast applications. South of the border, phone masts of a certain height can be erected without reference to local communities and planning authorities, and that is a recipe for disaster. No wonder people feel powerless and without a voice. I urge the Minister to look at the Scottish example, where planning permission is required for mobile phone masts of all heights, to see whether lessons can be learned.

However, ensuring that the erection of masts has to go through the planning process is not enough. My constituents feel frustrated that there is inadequate scope for their views to be heard, and local authorities still do not have adequate decision-making powers on applications. One example, on which the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) touched, is that the impact on health cannot be used as a ground for refusal. Yet many people's concerns about phone masts relate directly to the impact on health, especially the health of their children.

The 2004 Stewart report recognised that whatever the health implications, children are more at risk. Government advice is that children under eight should not use mobile phones. Parents are understandably concerned by the mixed messages. The daily radiation produced by a mast is often compared with the number of minutes spent talking on a mobile phone—yet although parents are told not to allow their children to spend many minutes talking on their mobile phones, they are expected not to be concerned about the health implications of nearby masts.

Further research is clearly required—for example, to ascertain the radiation effect of clusters of phone masts in a local area. That will become more important, as 3G technology requires more masts, so people will live close to several. Land contours should also be taken into

[Jo Swinson]

account when measuring radiation levels. It is not much good siting the radiation at ground level when the top of the mast beams into upstairs bedrooms where children sleep.

Perhaps most importantly, the precautionary principle should be applied in these cases. East Dunbartonshire council, like many local authorities, recently had a policy of not siting masts near schools, but that policy was overturned on appeal. However, the Government's own documents state that the precautionary principle should be used. I refer to the sustainable strategy document entitled "Securing the Future", which was written in March and, I think, launched today. It says that policies should respect five principles, one of which is "Using Sound Science Responsibly", which is defined as

"ensuring policy is developed and implemented on the basis of strong scientific evidence, whilst taking into account scientific uncertainty (through the Precautionary Principle)".

I welcome the Minister's comments on how he sees that idea fitting into the planning process for mobile phone applications.

In considering future action on the issue, I would urge the Minister to be bold and not bind the hands of those making planning decisions. Removing permitted development rights would be a good start, but it is not enough on its own. Local planning authorities must have the tools to examine all the issues relating to mobile phone masts.

10.6 am

Mr. John Horam (Orpington) (Con): We are all grateful to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) for raising this subject today. I think that the electors of Cheadle, too, will be interested in the extent to which Conservatives have shown concern for their interests. I am grateful to be called to speak, Mr. Olner, because we have a splendid array of Conservatives on these Benches, which shows our interest in this subject, and our concern about it.

In my constituency there is a very good organisation called ORAM. [HON. MEMBERS: "Hear, hear."] It does have a pleasing similarity to my own name, and I do recommend it, because it stands for Orpington Residents Against Masts. Its purpose is perfectly clear. It has done a considerable public service in my constituency by raising the issue through public meetings, drawing up petitions about masts, investigating the facts and calling on experts. In one case—this shows a non-party approach—a Liberal Democrat spokesman was invited. It has shown considerable concern—the concern of ordinary people—about the subject. This is not just a matter for Members of Parliament or councillors, but one about which ordinary people are very concerned.

In my constituency nine applications for mobile phone masts are now going through the system; that is a large number. From time to time, residents get concerned about the reasons given by the mobile phone mast operators for those new constructions. For example, one mobile phone mast has just been allowed on appeal after being refused by the local authority, Bromley council. The reasons given in a letter to one of my constituents who was concerned about that were as follows:

"Synergy, Planning and Property Consultants have informed us that the masts are needed for drivers on the A21 wishing to access their home computers."

It is illegal now to have hand-held phones in cars, and very few people have hands-free phones in their cars. Moreover, the A21 is on a red route, where people cannot stop. The reason cited seems rather curious to me, and it seems rather trivial to my constituents.

Justine Greening (Putney) (Con): My experience in Putney, working with the Southfields Triangle Residents Association and residents associations in West Hill and the rest of Southfields, is very similar. Last summer Orange submitted eight planning applications for mobile phone masts within a one-mile radius, and it seemed to me that it hoped that ultimately one of them would be accepted on trivial grounds, and so long as one got through, it would have achieved its objective.

We need to examine the planning process to stop this bully-boy tactic of mass applications in the hope that one will succeed. It is interesting to hear what my hon. Friend says about residents standing up against the process. One of the by-products of the eight Orange submissions was that they did a great job of reinvigorating our local community. There are far more people in those residents associations now than there were this time last year, before the applications were made. That shows that people are deeply concerned about the matter, and they are right to be, because they do not have the facts and data. I believe that local councils should have more ability to reflect those concerns in their planning decisions—

Mr. Bill Olner (in the Chair): Order. That is lengthy enough for an intervention.

Mr. Horam: I am grateful to my hon. Friend for a lengthy but pertinent intervention. She is quite right: not only residents, as evidenced by the activity of ORAM in my constituency, but councils are increasingly concerned about the planning system. The hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), who has now departed the Chamber, said that the current planning system did not allow councils to act in the best interests of residents. That is the problem.

Bromley council will be writing to the Minister, following a decision of its development control committee and its report on the planning arrangements surrounding applications for mobile phone masts. The committee is interested in two points, one of which was raised by the hon. Member for East Dunbartonshire (Jo Swinson) in relation to the situation in Scotland, where Scottish people have done very well. The point is that all masts, whatever their height, should be taken into account in the whole planning system.

Mr. John Leech (Manchester, Withington) (LD): Does the hon. Gentleman agree that if planning permission were required for all masts, that would encourage mast sharing? One current problem is that

mobile phone operators say that they cannot share masts because there has to be a certain distance between their equipment and the other operator's equipment—

Mr. Bill Olner (in the Chair): Order. That, too, is a lengthy enough intervention.

Mr. Horam: Thank you, Mr. Olner, for rescuing me from that additional lengthy intervention.

Orange wrote to me about the issue of considering all masts under the planning system. It said:

"our experience clearly demonstrates that the public's concerns are not with the planning process."

I disagree. When the public learn about the sketchy nature of the consultation that is allowed, and of the planning process, they are very concerned. As the old saying goes, never overestimate people's knowledge—but never underestimate their intelligence either. When they get to know about the subject, they are very concerned.

In connection with what the hon. Gentleman said in his intervention, Orange also said:

"Full planning would not give local authorities any more power to refuse applications or communities any greater say in the site selection process."

I think that it would. The fact that mobile phone mast operators would have to go through a planning procedure would give local authorities the extra negotiating powers and leverage that they do not have at the moment, whether for site sharing or for considering other sites. Often other sites can be considered, but because of the ease with which the companies' preferred sites get through the planning system, they are not.

Mr. Clifton-Brown: The advantage of going through the planning process is that full local consultation would have to take place. There would be adverts in the local papers and notices to all those concerned, and there would also be an opportunity to appear at the planning hearings of the local council. In that way, local democracy and people's participation in it would be enhanced.

Mr. Horam: I agree. The other aspect of that point is that my council is calling for a lengthy consultation period. As my hon. Friend knows, the current period is 56 days, and eight weeks is not that long for organising a consultation exercise. There is always dispute about how widely the consultation should range, and it takes time to work out who should be involved.

Mark Pritchard: Does my hon. Friend agree that there may be a case for investigating the possibility of something similar to environmental impact assessments, with a consultation period of 16 weeks rather than eight weeks? Clearly this is an environmental matter.

Mr. Horam: That is a good point, and perhaps the Government will take it into account when they reply to Bromley council. The present period is too short for any realistic consultation. Often, people find themselves right up against the deadline without having had the opportunity to consider residents' concerns fully. I hope that the Government will take the letter that they receive from Bromley council seriously. I shall follow it up myself.

First, I should like the Government to do more research into the health aspect of the issue; I have not gone into that, because of the number of people who want to speak in this debate. There must be more such research, and the Government should take a lead. Secondly, I should like them to consider the planning guidance that they issue to local authorities, and at least to change the current regime and make it more sympathetic. I look for a positive response from the Government to the concerns exhibited by the council in my constituency.

Several hon. Members *rose*—

Mr. Bill Olner (in the Chair): Order. Five people are indicating that they want to speak. I intend to call the Liberal Democrat spokesman to sum up at 10.25, so I ask those who participate to be brief. Thank you.

10.15 am

Anne Milton (Guildford) (Con): I congratulate my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) on securing this debate. It is no surprise that the Chamber is so full, because the issue is of huge concern to everybody. In Guildford it is probably the single biggest planning issue. I think that I receive more letters about mobile phone masts than anything else. The applications rain down on us daily—and if it is not an application, it is an appeal. The concern of residents in my constituency, in places such as Bramley, Shalford and Chilworth, is that there is always either an application or an appeal going through.

The issue does not seem very complicated to me. In May 2000 Sir William Stewart called for a precautionary approach, and in January 2005 the National Radiological Protection Board, chaired by Sir William Stewart, again called for such an approach. Sir William also said:

"This approach should be adopted by all involved in this area—including government".

It appears that absolutely nothing has happened.

We need planning regulations that allow local people not only to have their say, but to have what they say listened to and acted on. Mobile phone companies put huge resources into the planning process, while local people feel that their hands are tied behind their backs. They feel disempowered and disillusioned with the whole process. The word "consultation" has been so devalued that it is held in contempt by many people, and consultation is often seen as a patronising process that allows nobody to have their voice heard. It is crucial that we allow residents' health concerns to be addressed through the planning process. Local councillors feel exactly the same. They also feel that their hands are tied behind their backs.

The balance and the presumptions in the process need to be shifted. Sir William Stewart first urged a precautionary approach in 2000, and after all this time, I urge the Government finally to address this issue.

10.18 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I shall speak briefly, both to congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing the debate and to underline and echo a number of the points that have already been made by hon. Members.

There is cross-party concern about this issue, which has been raised today on behalf of a great many people who feel that the balance has not been struck in a way that is right, fair or sensible on issues of planning control and public health in connection with telecommunications masts. I wanted to take part in the debate because of an application that recently came before my local authority, the London borough of Sutton, relating to Fieldsend road in Cheam. Unfortunately it was determined and decided by officials without making its way before a committee of members because, despite the objections of a number of my constituents to the mast application on the grounds of both planning and health considerations, it was not de-delegated by local councillors.

I support those who have already spoken in favour of changing the planning arrangements so that all masts are brought within the ambit of planning control in the fullest possible sense. My hon. Friend the Member for Manchester, Withington (Mr. Leech) is right to stress that having full planning control would give us the opportunity to exercise greater control and influence over the possibility of mast sharing, because of the scope for negotiation and the chance to raise that matter in the planning process. That is entirely missing now.

I was heartened by what my hon. Friend the Member for East Dunbartonshire (Jo Swinson) said about what already happens in Scotland. I hope that the Minister will indicate in his reply why to date the Government have not decided that England should follow the lead of Scotland—and, indeed, Northern Ireland—where such matters are dealt with through the full planning process.

I also wish to reiterate the point about the lack of peer-reviewed science in this area of public policy. Can the Minister say a bit more about the timetable for the publication of such research, and also what work is being done on the effects of masts and base stations on public health, particularly in respect of genetic predisposition and possible age-related effects? It is clear to my constituents and to me that the Government have talked a great deal about the need for a precautionary approach, but planning law does not allow for one. Many of my constituents believe that health should be a much greater consideration than it is at present.

I am delighted that we are having this debate, and I hope that the Minister will respond positively to it. Many of my constituents feel let down by and shut out from the process. They want their voices to be heard and to feel that the planning process is working for them, rather than in the interests of mammon.

10.21 am

Mrs. Maria Miller (Basingstoke) (Con): I am here to express some of the concern and anger felt by a great number of my constituents who have been affected by mobile phone masts in recent months and years. In many ways, they feel powerless to get any action when an application is made to put a mobile phone mast in the vicinity of their homes or of other services that they may use.

I am in an interesting situation, as my borough council, Basingstoke and Deane, has been held out as a model authority for its use of the code of conduct in that respect. Despite that, there is still the feeling among local people that they are not getting their point of view across. Our local council works closely with mobile phone operators, but my constituents feel that their concerns are not heard, whether because of the short time—eight weeks—that is allowed for the discussion process, or whether because the issues that they feel are important are simply not taken into account.

It may be useful to consider a very real and current problem in my constituency. The mast under discussion will actually be sited in the constituency of my right hon. Friend the Member for North-West Hampshire (Sir George Young)—on the Kingsclere road in the Newbury road roundabout area—but it will directly affect people in my area. The plan is to erect a 15 m telecommunications tower with three antennae. There have been numerous letters of objection from local residents about visual intrusion, anxiety about health effects, spoiled views of the countryside—the area borders some beautiful Hampshire countryside—the fact that other masts are already located in the area, and, importantly, the fact that the proposed mast would be too close to residents and to schools.

A local ward councillor, Mrs. Sue Peters, has taken up the cause and has been expressing the concerns of local residents directly in the council. The proposal is to put up a mast some 45 m from property and 180 m from a special educational needs school for children with severe learning difficulties. Hon. Members may be aware that the National Radiological Protection Board issued a warning this year about the location of such masts near such schools.

Despite the deep concern, the application has been recommended for approval. Frankly, little account has been taken of the concerns that have been expressed by local residents. As my hon. Friend the Member for Orpington (Mr. Horam) said, councils are not always able to act in the best interests of their residents. There is an urgent need for a review of planning matters governing mobile phone masts. Residents feel powerless, local elected representatives feel that their hands are tied behind their backs, and mobile phone operators are operating within a code of conduct and within legislation that does not take account of the issues that are most important to my constituents.

I look forward to hearing the Minister's views. There is a need for an urgent review, for a requirement for full planning permission for all mobile phone masts, for accountability on the part of local councillors for their decisions, for residents to be able to participate fully in the making of those decisions, for councils to be allowed to take health concerns into account and, importantly—particularly in my constituency, where house building is still going on at a rapid rate—for planning for the future. In the new communities in my constituency, land is not allocated for masts. We should do more to predict the system's future needs, and should plan mobile phone masts as part of infrastructure development.

My hon. Friend the Member for Cotswold mentioned the comments in *New Scientist*—

Mr. Clifton-Brown: Indeed, *New Scientist* was interesting. Is my hon. Friend taking into account the vast numbers of new masts of the new generation that will be built, which is a matter for even greater concern?

Mrs. Miller: My hon. Friend is right. As *New Scientist* stated, a fourfold increase in the number of masts is to be expected in coming years, which would be equivalent to about 200 extra masts in each constituency. More must be done to plan for that. The presumption in favour of development in the current planning system must be changed, and our constituents' frustration must be listened to.

Mr. Bill Olner (in the Chair): I call Mr. David Burrowes—but I ask you to be brief, Mr. Burrowes.

10.26 am

Mr. David Burrowes (Enfield, Southgate) (Con): I am grateful to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) for securing this important debate. Few issues have caused more concern in my constituency. My maiden speech last week included a tour of my constituency. A more appropriate way to tour it might have been via its mobile phone masts, so great is the coverage. Only on Saturday I was in Slades Hill, where between 50 and 100 residents came out to protest against the planning inspector's latest decision, overturning the council's wise decision to refuse a mast there. No doubt the decision was overturned not on grounds that were of concern to local people, including health, but solely and squarely on appearance.

In the area of Enfield, Southgate, there is no greater concern. If, Tardis-like, I were to transport hon. Members to my constituency office to look across a distance of one mile, nine masts could already be seen; another four applications are pending. If I then moved us to Roundhill drive, as an example of the issues that face us, we could see a mast that has been put up within permitted development rights. It is horrendous—yards from gardens, near a playground and not far from a school. An application has now been made to increase the height of that mast. No doubt that is because the local authority, having taken a concerned view in response to residents' and parents' concerns, intends to move the mast that is now on top of Grange Park school, which puts pressure on the operator to increase coverage in Roundhill drive. The irony is that the new site is near a playground, and thus near children. Children do not only go to school; they live in houses, and go out in gardens. There is great concern about the application.

A few metres along, in Chaseville Park road, a repeated application that has been made for the open area is of great concern to people. They are worried about repeated applications, such as those that my hon. Friends have mentioned.

Mr. Nick Hurd (Ruislip-Northwood) (Con): My hon. Friend and I both represent suburban London seats of high residential density. Does he share my concern about the cumulative impact on public health and the environment of multiple applications by multiple operators? Does he share my belief that planning guidance should give councils greater freedom to take that cumulative impact into account?

Mr. Bill Olner (in the Chair): Order. Many questions have been asked of the Minister, and although I want Back Benchers to have as much time to speak as possible, I also want Opposition spokesmen to have time to sum up. I think that we are treading into their time now.

Mr. Burrowes: Thank you, Mr. Olner; I will be brief. I am grateful for my hon. Friend's intervention. Cumulative impact is not recognised in PPG8. Beam intensity and its cumulative effect is of great concern to residents, but the planning guidance does not reflect that. I would like the Minister's response to that idea, because PPG8 deals simply with the International Commission for Non-Ionising Radiation Protection guidelines. The operator ticks a box there, and does not have to reflect the concerns of a community about that cumulative effect properly. That is paramount. At a recent planning committee meeting, we heard from an operator that to get coverage for the new 3G technology it needs a mast every 800 m throughout the constituency. That demonstrates starkly why people are concerned.

We went way beyond reasons for licences some time ago, and the new 3G technology is causing a proliferation of masts in Enfield, Southgate. We need an amendment to PPG8. We need the removal of permitted development rights and for the full planning process to be available, so that local people can be given back control over their communities. People are not concerned only about house prices and the nimby factor, but about having some control of their local community.

10.31 am

David Howarth (Cambridge) (LD): I gather that it is conventional to congratulate the person who secured the debate, but I think that the hon. Member for Cotswold (Mr. Clifton-Brown) deserves more than conventional thanks for securing this debate, given the enormous amount of interest shown in it.

From the outset, I stress that my party's policy remains in line with what a large number of hon. Members have said—that phone masts and associated equipment should require full planning permission before being allowed to go ahead. That would allow local authorities to take into account the full range of considerations, including any health issues that might arise. That does not mean that planning permission should be refused on the basis of insufficient information—local authorities should still have a local plan policy for phone masts in general—but it would mean an end to part 24 of the Town and Country Planning (General Permitted Development) Order 1995.

Anyone who has tried to read that legislation will have found it to be full of gobbledegook. It is, perhaps, the worst drafted legislation that I have ever seen, and was obviously drafted by someone who had only a passing acquaintance with the English language. It is

[David Howarth]

impossible to discern the policy behind the various exemptions; the legislation seems to have more to do with the interests and convenience of lobbyists than with sound planning policy.

The hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) raised two objections to that change, one of which was that scientific evidence should be a matter for central Government only. The trouble with that is that scientific evidence changes, and can do so rapidly. New studies are coming out all the time; the non-thermal effects of radiation are being considered by a number of research projects, so new information that will change our views might well appear before the end of the year. The Government change policy slowly, and that is one reason why we should give local authorities a greater role—to allow more rapid and flexible responses to changes in the evidence.

The hon. Gentleman's second objection was that local authority boundaries make them too small to have proper policies toward the roll-out of such technologies. I thought that the new regional spatial strategies were supposed to get round that problem and that the new planning systems should—

Mr. George Howarth: The hon. Gentleman should not misrepresent me. I said that local authority areas were too small to accommodate a strategy for mast sharing and roaming.

David Howarth: Yes, but regions are not too small for that, and regional spatial strategies should be allowed to take that sort of policy question into account.

Mr. Burstow: Given what we have heard about the substantial increase in the number of masts that will be required in the next few years, does my hon. Friend agree that local development frameworks should include plans that deal with telecommunications, so that local communities can be involved in decisions about potential mast sites at that stage?

David Howarth: Yes, I do agree. The planning system should and does allow more participation than anything that the Government do with PPGs. At the heart of the question is PPG8, particularly the relationship between paragraphs 29 and 30. Paragraph 29 says:

"Health considerations and public concern can in principle be material considerations".

But paragraph 30 says:

"it is the Government's firm view that the planning system is not the place for determining health safeguards"—

that was the point made by the hon. Member for Knowsley, North and Sefton, East—and that it

"remains central Government's responsibility to decide what measures are necessary to protect public health."

It then goes on to incorporate the ICNIRP standard into Government policy.

As it stands, that means simply that central Government do not trust local government to take such decisions. Oddly, in the T-Mobile case, central Government argued the opposite, and were told by the Court of Appeal that they had to stick to the original meaning of PPG8. The Court of Appeal was doing its job: telling central Government that if they want to change policy, they must do so by changing the PPG, not by reinterpreting it.

That idea that local authorities are subject to panic attacks because of the activity of pressure groups is unfair. It is not as if central Government are immune from similar panic attacks—for example, in the case of the Hatfield train crash, and the way in which central Government have dealt with terrorism. Local authority refusal rates, which worry the Government, arise out of the sense of powerlessness that several hon. Members, including the hon. Member for Guildford (Anne Milton), raised. What we need is simple guidance about how local authorities can be more enlightened in dealing with such planning matters.

The city that I represent, Cambridge, organised a seminar, or citizens jury, on phone masts and allowed evidence from both sides—both the companies and the pressure groups—to be brought. That came out with a series of moderate conclusions and a slightly stricter standard, and recommended that a dedicated officer of the local authority be appointed to deal with communications between the two sides. More power for local authorities does not mean outright bans or irrational policies.

The trouble is that at the moment, initiatives by local authorities can apply only to their role as landlords; because of PPG8, they cannot apply to their role as planning authorities. I gather that a similar problem has been faced in Stockport, where Mark Hunter, the leader of the council, has introduced policies to reduce the number of masts being erected in the borough, but is restricted by PPG8 to acting only in the local authority's role as a landlord. He cannot deal with the wider problem caused by central Government control—

Mr. Bill Olner (in the Chair): Order. Would the hon. Gentleman like to wind up now, please, to give the other Opposition spokesman time to speak?

David Howarth: Yes, Mr. Olner. I will conclude briefly.

There is a call in some academic circles for the state to be a "cost-benefit state" that considers only the strictly objective risks. We need instead a cost-benefit society, in which members of society in general take into account the objective risks. The only way in which we can achieve that is by encouraging participation in local government, so that, from local responsibility, people learn how to deal with the costs and benefits of proposals such as phone masts.

10.38 am

Mr. Eric Pickles (Brentwood and Ongar) (Con): Thank you for calling me, Mr. Olner; I will endeavour to ensure that the Minister can have his full 12 minutes of glory. It is a great pleasure to follow the hon. Member for Cambridge (David Howarth), who was, I think, making a speech from the Front Bench for the first time. His speech was very reasonable. In particular, he was absolutely right when he congratulated my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) who, with his customary elegance of language, introduced this important issue for debate.

I confess that the elegance of my hon. Friend's language misled me for a moment. When he referred to the Government's inability to listen to their "interlocutors", I thought that he was introducing a new mobile phone concept, to join 3G and the others. Nevertheless, his point was extremely well made.

Members have pointed out with some elegance a difference that exists in the United Kingdom—between Scotland and Northern Ireland and the rest of us. Essentially, the rest of us are considerably worse off than Scotland and Northern Ireland. As my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) pointed out, the number of mobile phone masts is growing, as is the number that he can see from his constituency office. The case for roaming is increasingly becoming one to which we need to have an answer. That is something that my party is actively considering as a policy.

The most noticeable thing about the debate was that despite all the knowledgeable contributions, not a single person spoke in favour of the existing policy. I hope that the Minister will take that into consideration. People want to redress the balance in favour of the people. At the moment, things are very much in the hands of the mobile phone companies.

My hon. Friend the Member for Guildford (Anne Milton) referred to the health issues raised by the Stewart report, but that report also raises the question of powers. The report says:

"Public telecommunications operators have been granted a number of rights similar to those enjoyed by gas, water and electricity companies . . . We believe this approach is not optimal since it does not allow adequately for the uncertainties in scientific knowledge",

and

"the possibility of harm from exposures insufficient to cause important heating of tissues cannot yet be ruled out with confidence."

To improve matters, we need to address several key issues, the first of which is the question of full planning permission, which I note has the support of the all-party group on mobile communications.

My hon. Friend the Member for Orpington (Mr. Horam) talked most forcefully about a letter that he received from Orange that said, with the majesty of people who possess enormous powers, that the public are not concerned about such matters—they do not write to the company about them, and are quite content. That grossly misrepresents the situation. The public believe right now that masts must have planning permission, and they think that that actually is the system. It is a considerable shock to them to learn that it is not.

Greg Clark (Tunbridge Wells) (Con): My hon. Friend is a great champion of local government. Does he agree that that confusion reduces the reputation of local authorities, because people find that they are powerless in areas where it was assumed that they had powers?

Mr. Pickles: My hon. Friend makes a point that I was about to make; people look to their local councils for an answer and, in the words of my hon. Friend the Member for Basingstoke (Mrs. Miller), they are simply not heard. That has an effect on the reputation not only of local government, but of government itself.

There must be a single process whereby the rail network, church property, and Tetra masts are all treated exactly the same. I cannot put it more elegantly than a publication containing community news in the Cheadle constituency, which says:

"Decisions about masts should be taken at a local level with residents' concerns taken into account—that is certainly something I will be fighting for."

That was written by Mr. Stephen Day. Until the evidence proves otherwise, we must take health into consideration.

Bodies such as the Local Government Association could disseminate best practice and exchange information, thereby ensuring that councils are fully informed of the scientific research. The hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) was dismissive about a dodgy PowerPoint presentation—it was not the first such presentation, and I dare say that it will not be the last—but he rightly said that it was important to consider the health issues. I entirely agree with him that we should take a precautionary approach.

Visual intrusiveness is also an important concern. If full planning permission were required, the operators of telecommunications masts would take such things much more seriously. The balance that I suggested would be then redressed, as the operators would pay greater attention to ensuring that the masts were not such an eyesore.

Above all, we need greater consistency. We want to assist councils to develop greater master sharing and to formulate joint approaches for the future of mast development. Equally, councils must recognise that a single larger shared site can sometimes be visually intrusive.

I shall finish by citing my hon. Friend the Member for Cotswold, who introduced this important debate. Two points that he made sum up what we need to do. My hon. Friend was right to say that politicians have a duty to listen to the public. He was equally right to say that in a democracy, the public should be consulted. In a participatory democracy where the politicians are responsible to the public, it is not just every four or five years that we are required to be responsible to them. The duty lies heavily on our shoulders, and we should never neglect it.

10.46 am

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): Good morning, Mr. Olner; it is a pleasure to see you in the Chair. I congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing the opportunity to debate the planning implications of mobile telecommunications masts. However, the passionate conclusion to his speech was devalued by his reference to his possible hon. Friend from Cheadle; that took the wind out of his arguments slightly.

There is clearly widespread interest in the subject of the debate. I hope to deal with most of the points that hon. Members have raised, although what I say may not be to their full satisfaction. First, I shall briefly respond to one or two points that are not dealt with in my speech.

I am grateful for the serious and balanced approach of my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth). His remarks helped to take

[Jim Fitzpatrick]

the debate forward. I assure the hon. Member for East Dunbartonshire (Jo Swinson) that I am always happy to consider Scottish examples. My classic cockney accent may disguise my origins, but we do look at all the evidence. As far as classic cockney is concerned, "Oram" is probably the correct pronunciation of the surname of the hon. Member for Orpington (Mr. Horam), as well as of the acronym that he mentioned. I can reassure the hon. Member for Enfield, Southgate (Mr. Burrowes) that PPG8 requires the ICNIRP certificate to deal with the cumulative effect of several installations; I can give the appropriate reference in due course.

The Government have noted the calls for all mobile telephone mast development to require full planning permission. It is suggested that that would ensure that local councillors were clearly accountable and answerable for the location of masts. However, councils are already accountable for that. Ground-based masts are subject to full planning permission unless they are outside designated areas and less than 15 m high. Ground masts that are outside designated areas, and less than 15 m high, are subject to a prior approval process very similar to an application for planning permission. The difference is that if after 56 days the local planning authority has not made a formal decision, approval is deemed to be granted.

The hon. Member for Cotswold raised the question of strengthening prior approval arrangements. Before 1997 the consideration period for prior approval applications was only 28 days. After 1997 it became 46 days, and after 2001 it became 56 days. We have already strengthened the regulations twice. The hon. Gentleman also asked about a national database. The Stewart report, "Mobile Phones and Health", which I am sure he knows, recommended that information about mobile phone base stations should be made available. The Government accepted the recommendation and set up a national database, giving details of all base stations and their emissions, including those that did not require prior planning approval. The sitefinder database is maintained by Ofcom, and is available at www.sitefinder.radio.gov.uk. The information on the database is provided by the mobile phone network operators.

As for the question of a single process for all masts, as hon. Members know, as well as ground-based masts there are smaller installations that are less visually intrusive and more discreet. Such equipment may not need formal planning approval or permission. That might be because of the de minimis principle, which in the context of planning means that they are so small as not to constitute development, and cannot therefore be brought under the control of the planning system. Otherwise they might constitute permitted development.

Permitted development rights are conferred on licensed communications code system operators. Outside designated areas, such companies are authorised under the Town and Country Planning (General Permitted Development) Order 1995 to install specified communications equipment without the need to make a planning application to the local authority. However, those rights do not mean that local authorities and communities cannot have a say. The operators have committed to annual roll-out discussions and local consultation for all installations.

The hon. Member for Sutton and Cheam (Mr. Burstow) mentioned the regulations in Scotland—

Mr. Clifton-Brown: I am grateful to the Minister for giving way, because he is trying to get a lot into a short time, but the general permitted development rights cause a problem. Although councils may be consulted, they cannot refuse masts that come within that ambit unless they go through the cumbersome process of getting an article 4 direction. If that is refused, they have to pay compensation. That is a very cumbersome mechanism, and the Government need to look into it.

Jim Fitzpatrick: I am grateful to the hon. Gentleman for his comments. As I shall explain later, we are still considering a variety of issues, and I am sure that that is one such issue.

Let me tell the hon. Member for Sutton and Cheam that although Scotland demands full planning permission for ground-based masts, there are permitted development rights for smaller installations. That change was made in response to the Stewart report in 2000, which was concerned that the prior approval period for smaller masts—46 days—did not allow for full consultation. In England, we strengthened the consultative requirements for ground-based masts up to 15 m high, so they are the same as those for full planning permission.

On the technological research, I briefly remind colleagues that on 4 April my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), who is now the Minister for Housing and Planning, announced that the Government would be commissioning research to identify the future direction of mobile phone technology, the future need for mast developments and the potential for the increased sharing of masts. The Government are committed to evidence-based policy making, and that research will enable us to ensure that any changes to the planning regulations for telecommunications masts are fit for the future. The research will help inform the Government's ongoing review of planning arrangements for mobile phone masts. I can assure the hon. Member for Brentwood and Ongar (Mr. Pickles) that the research will also consider the issue of roaming.

Mr. Pickles: Does the Minister not agree with the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) that we should proceed on a precautionary basis? While the health evidence is so uncertain, should not we err on the side of caution?

Jim Fitzpatrick: I thank the hon. Gentleman for that intervention, but if he will allow me, I will come to the precautionary aspect, particularly in relation to health, in a moment.

An announcement on the outcome of the research that the Minister for Housing and Planning announced on 4 April will be made as soon as possible.

I turn now to supplementary planning guidance. On 9 December 2004, my right hon. Friend the Member for Streatham (Keith Hill), the then Minister for Housing

and Planning, issued a written statement on improving local consultation. It placed a renewed emphasis on the importance of the annual roll-out discussion process described in the code of best practice on mobile phone network development. The Government strongly believe that information sharing and negotiation at an early stage could greatly reduce levels of concern and conflict when specific applications are made in line with the agreed local plan or strategy. Therefore, we consider it desirable that, in their local development frameworks, local planning authorities should consider how they plan to manage the developments needed to meet the growing demand for communication services.

The Office of the Deputy Prime Minister commissioned a study from Reading university and Arup to assess what impact the code of best practice, which was published in 2002, has had since its introduction, and how the public perceive its operation. We have received the research report and are carefully considering its recommendations, and particularly how we might take them forward in the context of the wider review of the planning arrangements for telecommunications masts. We will publish the research report in due course as part of that wider review.

I turn now to the health concerns mentioned by many right hon. and hon. Members. Like them, the Government understand that public concern about the siting of mobile phone base stations is fuelled by health concerns. Let me assure hon. Members that the Government take seriously the need to protect the public from potential health risks.

We have had two major reviews of the evidence regarding health effects due to exposure to radiofrequency transmissions associated with mobile phone handsets and base stations. The first, by the independent expert group on mobile phones, was in 2000; the second, by the National Radiological Protection Board's advisory group on non-ionising radiation, was in 2004. Both reports concluded that the overall evidence indicates that mobile base stations are unlikely to pose a risk to health, because exposure levels are extremely low. However, both reports recognised that scientific uncertainty requires a precautionary approach to such technologies and further research. I assure hon. Members that any changes will continue to reflect the precautionary approach.

The Government established the mobile telephone health research programme, which is costing around £7.36 million and is jointly funded by Government and industry. We are currently considering continuing the programme, as recommended in the NRPB's report "Mobile Phones and Health", which was published in January.

I shall now refer to the comments that my hon. Friend the Member for Knowsley, North and Sefton, East made.

Mr. Burrowes: On the precautionary approach, I note that the Government's guidance to local education authorities refers to the beam of greatest intensity, and says that base station antennae should not be on school grounds without the agreement of the parents or the school—

Mr. Bill Olner (in the Chair): Order. That is long enough.

Mr. Burrowes: Can those issues also be reflected in PPG8?

Jim Fitzpatrick: I am sure that when the Government finish their consideration of the reports under review, the hon. Gentleman's comments will be covered.

In respect of health issues and planning, many people would like councils to be able to take health concerns into account more when making decisions about telecommunications developments. As has been mentioned, on 12 November the Court of Appeal dismissed an appeal by the First Secretary of State against the decision of Sir Richard Tucker in relation to an application by T-Mobile for a shared mast in Harrogate.

The Court of Appeal gave consideration to the policy guidance, and found the policy to mean that where a certificate of compliance with exposure guidelines exists, only in exceptional circumstances would it be legitimate for a local planning authority to take public fears about health risks into account. The First Secretary of State decided not to petition the House of Lords for leave to appeal, because the decision raises policy issues rather than significant points of law. Therefore, as part of the wider review of planning arrangements for telecommunications masts, we are carefully considering the judgment.

However, it is clear that local planning authorities cannot simply be allowed to adopt their own precautionary policies, as that would be a recipe for confusion. Indeed, the NRPB's recent report supports the Government's view that although planning is necessarily a local issue, the assessment of evidence related to possible health concerns associated with exposures to radio frequency fields from base stations is best dealt with nationally. The role of the planning system is to assist local communities in determining the best location for telecommunications developments. We believe that that can be achieved only through effective local consultation processes. That is why the Government will continue to consider local consultation as being of the utmost importance.

In conclusion, I reassure hon. Members that the Government remain committed to ensuring that the essential infrastructure for modern telecommunications systems is developed sensitively, with environmental impact kept to a minimum, and with proper discussion with local communities. Therefore, we continue to listen to public and parliamentary concerns, and to consider the way forward.

Employment Agencies (Overseas Recruitment)

10.59 am

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): It is always a delight to see you in the Chair, Mr. Olner, and may I begin by saying that it is a great honour to have the opportunity to appear in Westminster Hall before you? I would also like to pay tribute to my hon. Friend the Minister. It is very exciting to see lots of women Ministers, but seeing nice, talented and charming Ministers is an added bonus.

No society anywhere in the world can operate on the exploitation of labour that is poorer and less free and able to defend its interests than labour from the host nation. As a thriving commercial country that is full of the stimulation of exciting new jobs and frequently needs the support of people who want to do the jobs that are perhaps more routine and boring, we are an ideal country to welcome overseas workers. Of course, that is the case as long as we apply our own standards and make it clear to those who come to work in this country that they are protected and will not be part of an almost invisible, exploited group of workers.

Such people have the right to expect fairness of treatment, and certainly the protection of their interests. As a nation that has evolved a sense of fair treatment and equality for so long, it would be appalling if we were found to be treating those who come to our shores legitimately to seek work in an unacceptable and reprehensible manner.

I have become aware of a situation that I think is probably not unique. In fact, the more work I have done, the more it has occurred to me that the same situation is arising throughout the United Kingdom, whereby British employers—I emphasise the word "British"—are seeking to employ mostly immigrant workers in conditions that are sometimes frankly reprehensible. I am indebted to the Library, which has supplied me with detail about the conduct of employment agencies and the laws under which they operate. On reading the information, some of which has also been supplied to me by trade unions, it is extraordinary to see how many laws and protections are apparently in place to ensure that we cannot exploit workers.

It is extraordinary in the 21st century that people can still be cheated of the minimum wage. There are still people operating in the agriculture and transport sectors who are apparently not protected by the rights that are genuinely enjoyed by British workers and which we would expect to be the norm. In some instances, we would expect those rights to be the absolute ground base. However, that lack of protection is happening in spite of the fact that we have not only excellent controls on paper over the work of employment agencies, but in some instances, codes of conduct that are meant to control the employment of workers in industries such as agriculture.

When we read those codes of conduct and see the large firms that have signed up to them and the work that was done by the National Farmers Union and the Transport and General Workers Union to reach a workable code of conduct that can be defended—an example of what we ought to be doing in many instances—we can only wonder at the gap between the structure that we think is in place and the reality for those who come to this country to work.

Why is this a matter of concern to me? It should be a matter of concern to all trade unionists, and I have been in a trade union since I was 16. Moreover, it ought to be of concern to every member of the United Kingdom. I am horrified to learn that there have been developments during the past few years that to me are wholly indefensible. Some British employment agencies, faced with the restrictions of existing British law, seem to have found ways of sailing astonishingly close to the wind. Members will recognise that as a technique not unknown to those who wish to consider only their own commercial interests, but it becomes horrifying when large numbers of people are involved.

For example, many employment agencies advertise in nations that have newly joined the European Union. That is perfectly legitimate, and as long as those agencies stick to the employment laws, no one can possibly criticise them. What appears to have happened is rather different. Workers are being encouraged to come to the UK, where they are told there will be constant work. Perhaps the word "constant" is an overstatement; they are told there will be steady amounts of employment. They are encouraged in some instances to pay large sums towards their transport.

Such workers then come here and sign contracts, sometimes in languages that they do not understand. They are told that their accommodation, transport and employment will all be taken care of. In some instances, they are put into accommodation that is grossly overcrowded and that does not offer the level of care that would be expected as a very minimum. They are offered work. They do not speak the language of the country. They do not know their rights and they are unable to access that information.

Those people go to work in various different types of jobs. Unfortunately, this issue is not restricted to one type of industry. As far as I can see, people are being exploited across large numbers of different types of jobs: distribution, agriculture and even, to my horror, long-distance driving. If there is one idea that frightens me, it is not a lorry driver who does not know how to handle the machine that he is asked to drive, but one who does not understand the rules of road safety that apply to the United Kingdom and cannot read the road signs. That matter should give the Department for Transport some thought. Polish long-distance lorry drivers are taking out vehicles on our roads in large numbers and although they may be perfectly adept at driving, the fact that they are not aware of the conditions in this country and not, in many instances, even capable of reading warning signs or the information on the gantries of motorways must constitute a hazard and the Department should consider that very closely.

The situation is far worse, however. Many of those workers, who have paid to come here, paid for accommodation and been informed that they will have jobs, discover that whatever the job—in many instances, it is extraordinarily lowly paid—there are large numbers of deductions from the amounts that are paid to them on a number of grounds. Their passports are confiscated. In many instances, they are kept apart from the people of the area so that they are unable to seek support. There is also the issue of what happens if for any reason their

employment ceases. For example, in the case of agricultural workers, people have frequently been driven to an agricultural job and told when they arrive that it is not available. They have then been driven back again and charged for the transport even though they have not received any payment. Let us remember that these people are not operating with large cheque books and nice comfortable buffer zones in a working current account; in many instances, they are penniless, do not speak the language or understand the conditions, and are being exploited.

The worrying thing is that there is evidence of a consistent policy of deliberate isolation. I do not know whether the Department for Trade and Industry is aware of that or capable of getting beyond it. If there is such a policy, it explains a great many things. I discovered during the course of my research that the Department puts out useful leaflets on the website in Portuguese and Polish, which I have printed off and am endeavouring to get to the people concerned. However, for someone coming to this country for the first time who does not have access to a computer and does not know how to access Government services, putting those leaflets on the website is a limited facility, although it is important.

So what happens then? Any suggestion by any of the workers concerned that they dispute the terms and conditions of the work, the terms and conditions under which they are living or, even worse, the circumstances in which they find themselves if for any reason they cannot maintain constant employment, is met with this suggestion: "Well, you can go out on the street." In fact, that is happening in increasing numbers. The local authority then finds itself in an extraordinary situation. These are workers who should not have any claim on the support system that operates in the United Kingdom. They are not entitled to any kind of benefit, housing or social care. Yet, what is the alternative?

In my constituency, we are beginning to see that hidden group of people contributing to very real problems. If people are thrown out on to the street hungry, with no money, no likelihood of employment and no command of the English language, they will inevitably resort to methods that most of us would find reprehensible. There has been a little crime wave due not only to some petty difficulties where people are stealing food, but to some greater instances involving a number of quite serious cases, some of which cannot be discussed because they are still going through the courts. The homelessness problem is becoming real.

As far as one can see, none of the workers is ever screened. There is a mechanism for applying to the home country for information about them, but it is difficult to access, and many of the employment agencies are not concerned about carrying out detailed checks. They should be, but they are not. The respectable agencies may do so, but they can find it difficult. I have read in the information that has been provided to me about the machinery through which one accesses somebody else's criminal record system, and it makes the British version look almost uncomplicated.

The reality is that people come into this country, and no one checks their ability to work or their criminal past, and no one asks them about their background. These people are being employed in the food industry, including in catering, and in long-distance lorry driving. In some cases, it has been the individual action of employers in seeking to solve their workers' practical difficulties that has led to a clear statement of such extraordinary arrangements.

The confiscation of passports is clearly forbidden. In all the rules that one reads about employment agencies, it is clear that they have a responsibility to check, to record and to assure themselves that information is precise, but that they have no right to take people's passports and hold them. If there is a dispute between the workers whose passports have been taken by the agency and the employer, that group of people can no longer get work; they will have no papers, no way of proving their status and no way of asking for assistance. Even if other employers are prepared to employ them, they cannot do so.

The trade unions have increasingly sought to assist such workers. After all, it is in no one's interest for a great pool of unemployed workers to be moved from place to place clandestinely and without any support. The unions have been rebuffed, however, and in many instances they have been physically refused access to the groups of workers concerned. The unions have found it extraordinarily difficult to get over the information about minimum wages, deductions and the rights of the workers concerned.

Even worse, many of these workers are becoming not only homeless but a real practical difficulty, because of the way in which British employment agencies and British employers treat them. The Salvation Army offers these people food parcels when they are starving, and I understand that it has found it increasingly difficult to do so because of various unacceptable responses from many people connected with employment agencies. The local council is faced with a number of people whom it cannot assist. It has no right to repatriate people, even if that is what they want, and neither does it have access to money or any way of checking the circumstances of the people who present themselves. Workers are being brought here in large numbers by recruitment agencies, supposedly on the basis of local employment needs. The agencies are recruiting energetically in Poland, Latvia and the former Czechoslovakia. They are exploiting these people, both as landlords and as employment agencies. There has been a rise in shoplifting and in the number of assaults. Increasingly, as I said, there is a problem with some of the driving rules.

The really frightening thing, however, is the conscious policy of isolation that some of the employment agencies are adopting. If one is recruiting, employing, housing and controlling a group of workers, one must be extraordinarily careful that it is clear where the lines of demarcation lie. I have with me wage slips that make it clear that people were offered £300 for two weeks' work, but that they received £40 at the end of that period. That is not acceptable in this country. No one would go along with it. To be fair, the employers concerned are not automatically acquiescent. Many of them need workers and are not aware of the savagery with which many people are being treated.

The local authority has noted an increase in begging on the streets. It knows that no local emergency accommodation is available. We have one YMCA centre, which does a fantastic job for those in the age range of 16 to 25, but it is always over-subscribed. There are no resources to help any of the migrant workers. Not

[Mrs. Gwyneth Dunwoody]

only is no assistance offered to them individually, but there is no way of getting translation and interpretation services to them. There is a growth of resentment in the host population, both in the workplace and in the areas in which these people are dumped, sometimes 50 to a house. The issue is already creating real problems with overcrowding.

We need to consider not just the legislation regarding the acceptance of migrant workers, but the behaviour of the employment agencies. We need to discipline those agencies. We need to enforce the laws. It is all very well sitting back comfortably and saying, "We have not only suitable laws, but codes of conduct", but there is a problem if we are not enforcing those laws. That is indeed what is happening. We need legislation to identify the role and responsibility of the recruitment agencies that bring in workers. We need to integrate the workers into our communities, and we need to be certain that the group in question, which consists not of asylum seekers or refugees, but of people who want to return to their country of origin when they have sufficient money, is not exploited in conditions that amount almost to slavery.

I ask the Government a number of questions. We cannot have employment agencies deliberately exploiting workers. It must be possible to split the role of those who recruit, supply and house such workers. I have made rough calculations and I think that some of the employment agencies walk away with £600 or £700 a week in cash from the workers. We are not talking about small amounts. Some of the agencies that are simultaneously providing housing are in charge of hundreds of houses in Cheshire and Staffordshire. We need to consider how we deal with the individual problems. I am not suggesting that we should have a fund to repatriate people to their own countries. That is not the right approach. Those who deliberately exploit existing legislation, and gaps in it, should be forced to pay.

We need multilingual social workers. In my area alone, workers speaking at least three or four eastern European languages need assistance. We also need to insist that the agencies must have access to those people. If people are not only not given much money but are escorted forwards and backwards to the local shops so that they cannot talk to local people or get in touch with anyone who might assist them, it could lead to an enormously dangerous situation. I believe that that is happening in my constituency and elsewhere.

I have a great deal more detail, but I will not bother the Minister with it today. She has got the burden of my argument, which is that no civilised country can operate by exploiting large numbers of workers. The Romans could not do so, and the French revolution grew out of precisely such a savage exploitation of one group of workers by another, and they had nationality in common. We have the beginning of an enormous social problem. The benefit of employing workers from overseas should be not only that we offer support, money and opportunities, but that we are able to demonstrate that we are a civilised society and that people are not expected to work as they might have done in the early 19th century.

Unless our laws are enforced, they are not a great deal of help. The best bit of paper is not a defence against someone who refuses to give a person information or protection, or to ensure that that person is being treated in any way other than very harshly. The United Kingdom does not want to develop that reputation. That is not a United Kingdom that a Labour Government want to present to the world, and it is not a situation that I would ever find acceptable.

11.22 am

John Barrett (Edinburgh, West) (LD): I congratulate the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on an excellent opening speech. She has covered many of the issues that I had intended to mention in this important debate.

I come from Scotland, a country that has sent people out around the world over many years. It is important that now, when Scotland has a falling population, we should look at what we are doing to recruit from overseas. It has an impact, not only here but in those countries, and it is sometimes a devastating one. We take key workers from areas such as the health service when, at the same time, the Department for International Development is supporting the public sectors in those countries.

The Government must address a number of serious issues. They must address exploitation and what is happening in this country: in some occupations we would think it utterly unbearable that people should have to live and work under certain terms and conditions. What are we doing to stop that happening? How will we deal with those recruitment agencies—although most agencies are not causing the problem—that bring people into this country under dangerous conditions, low pay and unacceptable standards of employment?

There can be benefits for employees and employers. In many areas, such as the building industry in cities such as London and Edinburgh, there are real shortages of skills. However, it does nobody any good to have people working in those industries who are not aware of the relevant rules and regulations—in the same way, as mentioned earlier, as lorry drivers can be unaware of the rules and regulations of the highway. If plumbers and gas fitters are not aware of the safety concerns over here, people could lose their lives; not only those doing the work, but those occupying those houses where the gas installations are not up to UK standards. A leak occurring at a later date could cause death or destruction.

I do not need to cover again several issues that have already been highlighted, but I shall mention the problems of recruiting and retaining staff in this country's health service. It causes real trouble in other countries when we use employment agencies to recruit staff from abroad. However, there are examples of good practice. I have seen at first hand the work of a partnership with the New Royal Infirmary of Edinburgh, which has sent midwives to Malawi to help train nurses and bring them up to a higher level of expertise.

At the same time, there are qualified nurses in care homes in this country. Recently, I encountered at first hand a qualified doctor who was not able to gain

employment here because of different standards and qualifications and the need to be registered. Sometimes, as well as people from other countries being exploited, people in this country are not able to use their skills fully. With all due respect to the excellent work that many care workers do, it is not necessary to have qualified nurses and even doctors doing such jobs.

Unionisation has been mentioned, and the important role that unions can play in dealing with pay, conditions and safety issues. Another area where recruitment takes place, although not through official channels, is among women who end up working in the sex industry in this country. That is an expanding trade. Such women are probably the most vulnerable people: their passports are removed, they work in outrageous conditions and they are exploited through the threat that they could be thrown out of the country, or on to the streets, if they do not do what their employers—nothing other than pimps—tell them to do. The Government must ensure that such women are protected. I would like to hear from the Minister what is being done for that most vulnerable section of society.

As I said, many skills can be gained by recruiting people into this country, but there are many risks. I would like the Minister to discuss the impact that some of our recruitment has on the world's poorest people and countries. As the hon. Lady gave an excellent introduction, I have kept my remarks fairly brief. My last point is that it is all very well having rules and regulations, but there must be action at all levels to enforce them. What are the Government doing to enforce the regulations? We should accept nothing less than thorough, strong enforcement.

11.28 am

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on starting an important debate on a significant topic that will get more and more attention as time goes on.

Like her, I started with a constituency interest. Southport traditionally has had many casual workers in the fairgrounds, in the tourist industry, to some extent in the care industry and, in the outlying areas, in the agricultural environment. The constituency has high employment at present and most people, bar a small minority, seem to be able to acquire the jobs that they seek. Therefore, it did not at first seem to be a major issue if, for example, the people working at Pleasureland were no longer college drop-outs, as was the case in the past, but Lithuanians or whatever. However, I have grown increasingly concerned about the matter.

My concerns focus on much the same issues as mentioned by the hon. Lady. Housing is a big problem. The abuse of tenants in houses in multiple occupation by agencies, or landlords who provide some kind of back-up for the agencies, is notorious. It is difficult for a local authority to address the issue. Often, by the time it gets all the information that it needs to take action, the tenants of the house have moved on and a different set of people live there. That is quite apart from communication difficulties that the council may have with people for whom English is not the first language.

I have been concerned with the minority of cases in which the people working for the agency are not there legitimately, but have entered the country via some illegal route. I have no particular information about my constituency, but I know that for some appreciable time a very well-known recruitment agency in Liverpool was accepting people whose identity was clearly forged—it was very relaxed about doing so until it was detected.

I am concerned, too, that the records of tax that such agencies might or might not pay on behalf of their workers are not in as good order as they might be. One way to bring the agencies to order, and to ensure that what they do is legitimate and above board, would be for the Inland Revenue to play a greater role in getting to grips with their affairs.

Lastly, I am concerned about information that has reached me to the effect that some of those who facilitate the entry of workers into the country are borderline criminal. In some cases, they are not located in this country; one of the major importers of labour in my area is based in Mauritius. That happens against the background of a compliant attitude by more responsible economic bodies. Most agencies, when challenged—for example, on whether the people working for them ought to be in the country, and have proper legal access—are able to point to an ID card that has been shown to them at some point. To be fair, there are some very convincing ID cards about. Brazilians habitually walk around with Portuguese ID cards that are very difficult to differentiate from the genuine ones. My point is that there is a kind of complicity—people who are offered cheap labour are prepared to be easily satisfied that that labour is what it appears to be.

In my constituency, reputable companies act as agencies. I know that they have asked the Government about matters such as gangmaster legislation. They want to put themselves on a thoroughly legal basis. However, there are other, more shadowy, organisations. A few months ago, I spoke to a lady from Namibia. She had arrived in this country, having paid £2,000 for the privilege, and was told that she had a job with a reputable agency. However, when she turned up there she found out that it had never heard of her and did not employ people from Namibia, so she was stranded. She became dependent, in the first instance, on the charity of a local church—very much as described by the hon. Lady. On the back of that constituency experience, I have become a strong supporter of gangmaster legislation.

The awful precedent of the Morecambe disaster occurred up the road from us in Southport, so I am very keen for the legislation to have real teeth. I inquired a few weeks ago as to how many employment agencies—or other firms—had been prosecuted for employing overseas labour illegally. The figure for 2003 was two. On the same day, the Government made announcements about what they would do to such miscreant economic entities, and that sounded great. However, one can sound great and not do very much, and the hon. Lady and I are calling for action. There is a culture of complicity. A lot of people are involved in irregular activity—it is not universally irregular, but aspects of it give cause for concern.

There are landlords who are happy to co-operate with the agencies and daily breach most of the regulations that apply under the various housing Acts. Some firms that pack vegetables and so on do not inquire too deeply into what is going on. They do not strive too hard to put all their insurance details in place, or to make provision

[Dr. John Pugh]

for people when they lay them off. The scenarios that the hon. Lady described, in which people are casually laid off by organisations when there is a blip in demand, reminded me of the sort of industrial circumstances that applied in rural areas during the industrial revolution, and in the early part of the United States' history. Older Members will recall films such as Marlon Brando's "On the Waterfront", in which people lined up on some days to get work and money, but on other days did not. That is very much the situation in many constituencies up and down the country, except that people there are more dislocated from society. Ultimately, the responsibility lies not only with producers, but with some retailers. It behoves companies such as Tesco, Sainsbury's and Waitrose to inquire carefully.

Mrs. Dunwoody: I am sorry to interrupt; it is cheating a bit when I made such a long speech, but I must say that an excellent code of conduct has been agreed by big retailers, the NFU, the Transport and General Workers Union and, presumably, by the Union of Shop, Distributive and Allied Workers. It is extraordinary. All that the big retailers have to do is to apply the code of conduct that they supported.

Dr. Pugh: That is precisely the case. Most of the right noises have been made and the right codes of conduct published, but not all of us are satisfied that people apply them. There is almost a culture of not asking too many questions.

The agency model takes a lot of pressure off many people. The issue came at me from a different direction when I spoke to someone from the building trade, who told me that most people who work on building sites are not working for big builders such as the McAlpines, but are agency staff. I asked why, and he pointed out that there is an escalating number of accidents in the building industry and that, as far as the main builders are concerned, if workers work for agencies rather than for them, health and safety legislation sits more loosely on them. I encountered one case in which, in order to get agency employment on a building site, workers were encouraged to take shares in the agency. That peculiar device created special difficulties when the workers took umbrage against the agency because of some accident, or some site that had not been properly supervised, and found themselves suing the company in which they had shares.

There is a culture of complicity. The Government cannot ignore this issue. There is a lot of exploitation in which people who come here to work and who expect a good day's work for a good day's pay find that a lot of the good day's pay is missing when they examine their finances at the end of the week and find out how much rent they have to pay. Outsourcing, as we call it, is increasingly popular. Indeed, Departments are driven to do it right, left and centre. That makes it easier to fall into a culture in which the more dubious agencies find ways into the economic system to their great profit.

I have one more example to give the Chamber. Liverpool John Lennon airport has all sorts of security requirements. Naturally, it wants to get security for the best price, so it outsources. A few months ago, it outsourced to a perfectly reputable security company, which works for various blue-chip firms, but the people who were employed turned out to be illegal immigrants who nobody could put clear names to. That can happen when outsourcing and agency working become more common and when the Government take their eye off this particular ball. As I said at the start, the hon. Lady has drawn attention to a major problem that is going to get bigger.

11.39 am

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I, too, congratulate the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on securing a debate on this important, sensitive and complicated subject. In her opening remarks, she set out eloquently and in some detail some of the wide-ranging social problems that can result from this issue, as did my hon. Friends the Members for Edinburgh, West (John Barrett) and for Southport (Dr. Pugh), whom I also congratulate on their remarks.

I start by making a fundamental background point, which my hon. Friend the Member for Southport underlined. This problem is likely to grow in the years to come, as we need migrant workers in this country, as in many other western countries, for the economy. That adds to the moral imperative, which the hon. Member for Crewe and Nantwich has been describing, to treat them properly. We must also ensure that we do not asset-strip developing countries of workers from particular professions, such as those in the health care sector, and benefit from those professionals while their countries cannot fully staff or accommodate their own health services as a result.

The demography of this country is changing. People are living longer, the birth rate is lower and there are fewer economically active people, which is another reason for needing more and more migrant workers in the future. Globalisation and the enlargement of the European Union, which is likely to be enlarged again, are making migration much easier, as are the many skills shortages in our country.

The United Kingdom will need migrant workers to work in construction and many other sectors, some of which have been mentioned, to maintain our wealth and prosperity. That need is particularly pressing in Scotland, as I am sure my hon. Friend the Member for Edinburgh, West would agree, where the population is both falling and ageing. It has fallen by some 20,000 in the past 10 years alone, and it continues to fall, which is why the Scottish Executive have been promoting the fresh talent initiative to try to attract more migrant workers to Scotland to fill some of the gaps in the economy. Scotland has a net migration of young people to the rest of the UK. London, as my hon. Friends will doubtless know, is a particular beneficiary of Scots migrating from Scotland to work south of the border. However, the fresh talent initiative is being frustrated in some cases by the increasingly strict Home Office rules, and is unlikely to meet its objectives as a result.

This problem may be even more acute in my constituency, Inverness, Nairn, Badenoch and Strathspey, which is in the heart of the highlands and islands. Its population is even older than in the rest of Scotland. There has been a net migration of people over many decades, even centuries, and now Highlands and

Islands Enterprise, the economic development agency for the north of Scotland, has set a target of increasing the population of our region by 15 per cent. in the next 20 years. That is a very ambitious target, which I fully support, but it will be achieved only by attracting migrant workers from overseas as well as from the rest of the UK.

The need for migrant workers in different sectors of the economy is obvious. The construction sector offers clear examples of that. No doubt hon. Members will have read the report in yesterday's *Financial Times* about a trip to Poland, organised by Aberdeen city council and involving construction businesses from Aberdeen, to build relations with Poland and to work with employment agencies to bring construction workers to Scotland, because there are simply not enough people in Scotland and the rest of the UK to carry out the work that needs to be done in many construction trades. There has been a substantial increase in house building in many areas in the UK, and the need for more affordable housing will create even greater demand for skilled people in that sector.

The care home sector and seasonal employment have also been mentioned. I was told by a party colleague, who is a Member of the Scottish Parliament, that construction of the Scottish Parliament building—a matter that was not without controversy—involved workers of 14 nationalities. That highlights the issue.

While I was preparing for this debate, employers in my constituency drew to my attention incentives or the lack of them for people from the UK to take up certain jobs in certain sectors. We recently had a debate on tax credits and the major problems in the tax credit system. People in this country who might be attracted to take employment in seasonal sectors, where incomes fluctuate and are unpredictable, are discouraged by the operation of the tax credit system because the clawback of overpaid tax credits could lead to their incomes fluctuating even more. Again, that puts pressure on employers to seek migrant workers because they cannot find people in this country to do those jobs. In Aviemore, which is a tourist centre in my constituency, that is a serious issue for restaurants and other tourism businesses.

The fundamental question raised by the hon. Member for Crewe and Nantwich is how to ensure that the migrant workers whom we need in this country are treated properly when they come here. I agree with her that it is principally a matter of enforcement. We have heard a lot about the social consequences of exploited workers being pushed out on to the streets, homeless and hungry, which can give rise to crime and disorder issues, such as increased shoplifting, which was mentioned, and so on.

We have also heard about the mistreatment that many employment agencies get away with, such as paying less than the national minimum wage. Some hon. Members may have read the report by Citizens Advice on exploitation of migrant workers. It described cases of people not being paid at all. Overseas students were invited to do cleaning jobs to supplement their income while at university, but their pay was regularly deferred and they eventually left because they were not paid. They were working for nothing, which is the most grotesque form of exploitation. We have heard of many forms of exploitation today, including the removal of passports.

I agree with my hon. Friend the Member for Southport that there is a culture of complicity, which must be addressed, and I look forward to hearing from the Minister about what steps can be taken to deal with it. As Citizens Advice said, migrant workers are often the most vulnerable to exploitation in our society. A number of issues must be addressed to make people more aware of their employment rights, their right to the minimum wage and what may be deducted from their pay packets. Legislation limits the deductions that can be made from wages for accommodation and so on.

John Barrett: Does my hon. Friend agree that the present problem will increase under the Government's plans for slimming down the civil service? Those in the Inland Revenue are particularly angry that a number of their jobs will go. One way of tackling the problems to which he referred is to ensure that tax, national insurance and so on are paid. With fewer staff in the Inland Revenue, that will become a bigger problem rather than a problem that can be dealt with.

Danny Alexander: I am grateful to my hon. Friend. I agree that the Inland Revenue has a role to play in using the information that is has to ensure that people are being paid properly. He mentioned one of the consequences of slimming down, and I hope that the Minister will address that issue.

It is also the case that many migrant workers are afraid to complain. Although workers who are being exploited can turn to mechanisms within the law, such as employment tribunals and so on, their practical knowledge is that such a major and time-consuming step could result in their dismissal, which could mean, as my hon. Friends said, that they become destitute on the streets. As a result, many of those who are being exploited—even those who know that they are being exploited and that their treatment is outside the law—are unlikely to take the steps currently available to them.

The Minister will be aware that the Citizens Advice report proposed the establishment of a cross-departmental task force on fair employment to consider a broad range of enforcement issues. I would be most interested to hear from her whether the Government will take up that suggestion.

As we have heard, there are both good and bad employment agencies. One of the difficult questions raised by employers in my constituency, however, is how employers and employees can tell the difference between them. I would be interested to hear what steps have been taken to regulate and monitor employment agencies. Employers who, naturally enough, have a demand or desire to recruit workers from overseas should be able to do so in the knowledge that the agency is reputable and not involved in crime, as in the example described by my hon. Friend the Member for Southport. It is true that some employers groups, such as the Scottish Council for Development and Industry, are aware of the need to take account of the social, moral and cultural responsibilities of taking on foreign workers, but not all of them are.

The other issue that needs to be addressed is the asset-stripping of third world countries. It is not ethical for the United Kingdom to drain third world countries of

[Danny Alexander]

workers in key sectors such as health care. Overseas staff are a valuable asset to our health service, but they must not be exploited in order to cover up our failure to generate sufficient professionals—nurses, doctors and so on. Our long-term dependency on overseas clinicians must be tackled for the sake not only of the countries from which they are being recruited, but of the sustainability of the national health service. Again, I would be interested to hear from the Minister what steps the Government intend to take, and in particular whether they will take advantage of our presidency of G8 to work towards an international agreement to limit the number of nurses and doctors being recruited from vulnerable countries.

Mr. Bill Olner (in the Chair): Order. The hon. Gentleman is looking at the clock, just as I am.

Danny Alexander: Thank you, Mr. Olner.

Given our need for them, migrant workers should be valued and not exploited. We need them for economic reasons, and we therefore have a moral responsibility to treat them properly. Again, I congratulate the hon. Member for Crewe and Nantwich on securing this important debate.

11.54 am

Mr. James Arbuthnot (North-East Hampshire) (Con): I join in the general congratulations to the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on securing what has turned out to be a very important debate. The hon. Lady began by congratulating the Minister. I have to say that the Opposition found the Minister's appointment rather good news. She deserves her salary; we just wish she were getting it. No doubt, it will only be a matter of time.

The hon. Member for Crewe and Nantwich set out some worrying concerns, but we should set this debate in the context of the fact that very far from all employers or employment agencies behave in the way that she described. Of course, she did not suggest that all of them did so, but it is difficult to tell how many do.

There are many reasons why it should be easy to cross from country to country to better oneself, obtain work and provide one's services. It is a basic tenet of free trade that one ought to be able to better oneself and move to where the global economy requires. Individuals benefit by moving from country to country selling their labour, and they are offered the chance to improve their professional and language skills. The country that receives the skills of such people benefit too, because they provide a resource that the domestic market cannot at that time fulfil.

For example, medical training takes a minimum of eight years, and we need more doctors and nurses. We face a shortage now, and the only way we can fulfil that demand is by offering medical posts to overseas staff. That creates the problem of asset-stripping of other countries, which hon. Members have mentioned, but it also gives people who come to this country from overseas the opportunity to return later, better trained, to the countries from which they came and help out the health economy there.

It is not by any means all employment agencies that behave in the way that the hon. Lady described, but to the extent that some do so—there is no doubt that some behave extremely badly—such behaviour is completely unacceptable. The UK needs to operate, and does operate, by certain basic principles, not because it is in our interests to do so, but because we think that it is right and humane. The principles are those of openness, keeping to what we say, standing by our contracts and keeping to the rule of law. The prevention of exploitation is a key part of that, as are basic minimum standards of treatment. We are talking not about huge rafts of regulation, but about basic minimum standards.

The hon. Lady drew attention to some real problems. I shall not go through them, because she did that so well herself, but I suspect that she could not say all that she might have said, because of the problem that the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) raised. Many people who are being exploited in the way that she set out are frightened of approaching the authorities to say what is wrong, even if they know how to do so in a foreign language—and too often they do not know. The problem is exacerbated by the fact that we often may not know how big the problem is, because of the fear and isolation to which the hon. Lady referred. When hon. Members say that there is a lot of exploitation, I am afraid that I must reply that we simply do not know how much.

The hon. Lady referred to an under-culture of isolated workers who are unable to seek the help of the codes that we have happily passed in Parliament. That problem affects not only the sectors that she mentioned, but the health sector, as the hon. Member for Edinburgh, West (John Barrett) said. The recruitment of nursing staff has been mentioned. Nurses must be registered with the Nursing and Midwifery Council to work in the UK. Conversion training is often required for registration, and it is undertaken on a student visa rather than a full work permit.

Mrs. Dunwoody: I apologising for interrupting. It is clear that private hospitals in this country exploit nurses in an unacceptable way, and I know that the Royal College of Nursing is very concerned about that.

Mr. Arbuthnot: I was about to come to that point, but the hon. Lady is right to raise it. Often, places on national health service conversion courses are not available. That means that people coming for nursing training in this country must either accept low-paid work or work in private and independent health care. The exploitation that can exist on private conversion courses—of course, it does not happen in all cases—is worrying.

The worry about the retention of passports can be made worse if employment agencies have not submitted to the Home Office the work permit papers that they ought to have submitted. The Government have produced a code of practice for health workers that will come into effect in December this year. It sounds as though that will be good news, but it requires the enforcement that the hon. Lady talked about.

I will not go on. As the hon. Lady said, we need to insist that agencies must have access to the people who are being exploited, but in order to have that access, they

need to be aware that exploitation is going on in a particular sector or among particular people. It is difficult for anyone to address that problem.

This is a civilised country, but we need to do constant work to ensure that it remains as civilised as it is. The hon. Lady raised some extremely important questions, and we all look forward to hearing what the Minister has to say in reply.

12.2 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Meg Munn): I commend my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) on her choice of subject for today's debate and on her powerful speech. I thank her for her kind comments at the start of the debate. They are all the more appreciated because she is, rightly, a well-respected parliamentarian. I also thank the right hon. Member for North-East Hampshire (Mr. Arbuthnot) for his kind comments. There have been many thoughtful and interesting contributions, and I shall try to address as many of the points raised by hon. Members as I can.

The Government condemn any abuse or mistreatment of workers, whether they are UK nationals or migrant workers. We take such issues seriously and will continue to mobilise the resources of the various enforcement agencies that have been established to tackle such illegal practices.

It is important to place on record what we do to protect agency temporary workers. Having done that, I will answer the points that hon. Members raised. The Government acknowledge the important role that employment agencies and the workers whom they supply have to play in the labour market. However, it is important that employers and everybody operating in the industry accepts that they have an obligation to those who use their services, whether their client is an individual worker or a multinational corporation. The Government are keen to ensure that all workers, including agency temporary workers, have appropriate protections, yet we have found that, as has been said, some workers—they are often migrant workers—do not realise what rights they have.

As my hon. Friend said, the Government were aware of that difficulty, and so we took early action. We considered it particularly important to get information to potential work seekers before they left their country. We were aware, in particular, that some European Union accession country nationals were at risk of being exploited by their fellow citizens.

That is why, last year, we offered to work with all new member state Governments to help ensure that their nationals were informed of the implications of working in the UK, including access to statutory employment rights, before they left their home country. We suggested to those Governments that we jointly prepare bilingual "Know before you go" leaflets. I have a couple of examples with me, if any hon. Members would like to look at them after the debate. The leaflets give advice on questions to ask before leaving a country and on the legal protections offered to workers, including agency workers. To date, we have produced leaflets in partnership with the Polish and the Lithuanian Governments, who agreed with us about the need to produce them, and we are waiting to hear from a number of other interested member states. Those leaflets follow a similar leaflet that we produced in partnership with the Portuguese Government, to which my hon. Friend referred, and they have benefited from input from trade unions, the TUC, the CBI and other stakeholders.

We have taken steps to ensure that the bilingual leaflets are made available in informal locations. My hon. Friend rightly raised the issue of how people access the information. For example, the leaflets are available in locations such as Portuguese delicatessens, Polish shops, newsagents frequented by migrants, health centres and so on, so that we can ensure that they reach people who may be fearful. We have also distributed them to all citizens advice bureaux in the UK.

Agency temporary workers are by no means unprotected in the UK. They have access to core employment rights and statutory social security benefits, such as statutory sick pay. Since coming to office, the Government have sought to ensure that all workers receive the minimum standards of pay and conditions. Since 1997, we have significantly improved protections for agency workers. They are entitled to the national minimum wage, and they have the right to four weeks' paid holiday. The minimum wage makes no distinction between legal workers. Everyone working legally in the UK is entitled to it, regardless of how long or short their stay may be. It does not matter whether their employer is based in the United Kingdom or in another country. Moreover, a range of other protections, including those under sex, race and disability discrimination legislation, also apply to agency workers.

Legal migrant workers are protected by the same employment rights as those covering UK nationals, and all migrant workers, irrespective of their status, are protected by UK health and safety legislation. The immigration and nationality department of the Home Office is responsible for detecting and apprehending illegal migrant workers and for taking action against those responsible for employing them.

The Government have done a great deal in recent years to put in place a comprehensive package of employment rights to make sure that people are treated properly in the workplace. It is essential that both workers and employers understand their rights and obligations, and that employment rights actually work in practice, enabling people to maximise their potential in the workplace. In particular, it is important to be aware of the risks facing the most vulnerable workers, who may include those with low skills and little or no spoken English.

The denial of the rights of such workers risks undermining the wages and working conditions of millions of other people. The vast majority of decent, law-abiding employers risk being undermined by unfair competition from the small minority of employers who deliberately seek to avoid their obligations. My hon. Friend was right to say that in a civilised country it is wrong to exploit people. It is also clearly not in anybody's interest to do so.

As part of our work to combat those problems, we are considering how we can help vulnerable workers through better access to skills and training, enabling them to progress out of low-paid jobs, and through more effective enforcement targeted at unscrupulous employers who set out deliberately to take advantage of the vulnerable.

Dr. Pugh: Those are good intentions, and I applaud the Government on what they are endeavouring to do, but can the Minister cite any evidence that the Government have actually done a great deal? Are there any statistics about how many employers have been taken to court by the Government? That would show us that they are taking the matter seriously in terms not only of rhetoric, but of action on the ground.

Meg Munn: If the hon. Gentleman will bear with me, I shall come to that point. I picked it up from his speech earlier.

The UK has a clear need for migrant workers, because of our historically low unemployment coupled with rising vacancies in the labour market. There are currently more than 600,000 vacancies, owing to a number of economic factors, including demographic changes, which have seen an increasing amount of people retiring as the working population decreases. Agency work pays a key role in achieving labour market flexibility, helping companies to deal with peaks and troughs in demand and enabling individuals who do not want a permanent job, for whatever reason, to participate in the labour market. Agency temporary work can act as a stepping stone to permanent employment. About 40 per cent. of UK agency workers find non-agency jobs within a year of starting agency work, and 36 per cent. were outsiders—unemployed starters, or other non-participants—before starting agency work.

In Great Britain, the private recruitment industry is regulated by specific legislation that sets out standards for employment agency behaviour. The Employment Agencies Act 1973 and associated regulations, which were completely overhauled only last year, set those standards for the conduct of the industry, and the DTI's employment agency standards inspectorate is responsible for enforcing the legislation. The inspectorate follows up every relevant complaint that it receives that indicates a possible breach of the legislation. The inspectors investigate employment agencies by visiting their premises to inspect their records and documents, and they also undertake targeted visits in areas where infractions are considered most likely to occur.

On a specific point raised by my hon. Friend the Member for Crewe and Nantwich and the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), one of three conditions must be met if a deduction from any worker's pay is to be lawful. The deduction must be required or authorised by legislation or by the worker's contract, provided that the worker has been given a written copy of the relevant terms or a written explanation of them, before the deduction is made, or the worker must have consented in writing to the deduction before it is made.

No benefits in kind except accommodation can be counted towards minimum wage pay, but there is a limit on the amount that an employer who is providing accommodation can count towards minimum wage pay. The daily accommodation offset is currently set at a daily rate of £3.75, which the employer makes for each day of accommodation. It is not intended as a commercial valuation, but is designed to protect workers from unreasonable accommodation charges.

As to confiscation of passports, an individual's passport belongs to the national Government and an employer should not keep hold of it, although it may be necessary to look at it for various reasons. In holding on to the passport, the employer might be guilty of an offence under the Theft Act 1968.

The hon. Member for Edinburgh, West (John Barrett) referred to the issue of sex workers. In the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, we introduced a new criminal offence of trafficking for the purposes of exploitation, including forced labour, under which sex workers would be included. That is punishable on conviction by a maximum of 14 years' imprisonment.

Mr. Arbuthnot: I have been puzzling over what the Minister just said about passports. Presumably, an offence under the Theft Act would require an intention permanently to deprive, and it would be difficult to prove that any employer intended permanently to deprive somebody of their passport. Is there or should there be any offence of holding the passport of another person with the intention of applying pressure to that person?

Meg Munn: The right hon. Gentleman raises an important point of legal detail. I do not have the answer to that question, although I may do shortly. That was quick. I am informed that the Identity Cards Bill will provide added powers on that point. Perhaps that will persuade him of the way in which he should cast his vote later today on Second Reading of the Bill.

On enforcement, which was mentioned by the hon. Member for Southport (Dr. Pugh) and underlay all the points made by my hon. Friend the Member for Crewe and Nantwich, who called the debate, we do not hesitate to prosecute where appropriate, but we do so only as a last resort. In the overwhelming majority of cases in which our inspectors discover breaches of the legislation, they find that, on being made aware of those infractions, companies agree to change their procedures and/or pay the money owed to the worker. Last year, the DTI undertook about 1,000 inspections of agencies and recovered more than £20,000 in wages that had been illegally withheld from workers. It is unlikely that those workers would have recovered that money by other means.

We are also looking at projects such as the joint workplace enforcement pilot—a snappy title. The pilot will involve an examination of the potential for intelligence sharing and closer co-ordinated working among Departments to tackle a range of issues relating to illegal working, for the purposes of criminal investigations or proceedings.

Mrs. Dunwoody: I certainly would not dispute my hon. Friend's description of the pilot's title as extraordinarily snappy. The reality is that employment agencies will simply go one step at a time. When I complained about people signing contracts in a language that they did not understand, the agencies used Government money to translate them. Although one particular point was dealt with, the people whom we are discussing have no intention of complying with the law, because they can walk away with large sums from each worker.

Meg Munn: My hon. Friend raises important issues, and the pilot will try to address some of them by

building a thorough understanding of all the problems associated with illegal working in the area under investigation. The debate has been helpful in raising a range of such issues, and we shall try to identify the obstacles to effective enforcement or compliance. That will test the hypothesis that a joint team focusing on enforcement could have a more significant impact on routinely non-compliant employers than existing arrangements.

Only last year, the Government revised the legislation governing agencies to tighten the health and safety obligations on them and to clarify their responsibilities for their workers.

Mr. John Grogan (Selby) (Lab): Does my hon. Friend agree that language proficiency is an important factor as regards health and safety? There are 600 Polish migrant workers in Selby, and I am hosting a conference with them, employers, trade unions and employment agencies in the autumn. We are pushing the local training and skills council to improve language courses and other provisions aimed at migrant workers. Can the Government encourage learning and skills councils to get involved in something like that?

Meg Munn: I thank my hon. Friend for those comments. Clearly, one benefit of regional development associations and the learning and skills councils is that they can address the needs in their areas. If they are meeting the needs of people in their areas and helping the local economy, that should be encouraged.

On the point raised by the hon. Member for Edinburgh, West, the Inland Revenue enforces the national minimum wage, but it is funded by the DTI. I am glad to reassure him, therefore, that cuts at the Inland Revenue will not affect national minimum wage enforcement.

The Government are committed to ending the abuse and mistreatment of migrant workers that has been described today. Where there are serious criminal offences, it is clearly for the police to investigate in the first instance and to take action if appropriate. If there are serious breaches of employment legislation in addition to serious criminal offences, however, the appropriate Government enforcement agency will investigate. Workers or third parties who are uncertain where to turn for advice can call the Advisory, Conciliation and Arbitration Service helpline in confidence for advice on employment rights. The number is 08457 474747.

In relation to agencies, the DTI can take complaints about agencies from third parties or take forward complaints in confidence without ever disclosing the names of concerned workers. If my hon. Friend or any other Member present has similar concerns, I urge them to let my Department have details of agencies or workers, and I will ask officials to look into them urgently. I agree wholeheartedly with my hon. Friend that we must bridge the gap between the rights that agency workers have and the reality for the workers that she has so clearly described.

12.20 pm

Sitting suspended.

Future Rapid Effects System

12.30 pm

Ann Winterton (Congleton) (Con): I commiserate with the Minister, who has drawn the short straw to be the Minister on duty while his colleagues are, no doubt, enjoying themselves on the Solent, at the review celebrating the glorious victory of Nelson at the battle of Trafalgar. I agree with Nelson's descendant that the politically correct competition between the red and blue teams is unnecessary, although I welcome the visiting fleets, because without them there would not be much of a review to show Her Majesty. However, in line with Nelson's words:

"England expects that every man will do his duty",

perhaps I should do my duty and get on to the subject in hand.

The future rapid effects system came to the fore almost a year ago when the then Secretary of State for Defence, who is now the Leader of the House of Commons, said:

"The balanced land force of the future will consist of two heavy armoured brigades, three medium-weight brigades, based around the future rapid effects system family of medium-weight vehicles—FRES—and a light brigade, in addition to the air assault and commando brigades. We launched the assessment phase of the FRES project in April this year and we expect to sign a contract for technology demonstration work to start later this year."—[*Official Report*, 21 July 2004; Vol. 424, c. 344.]

On 16 November, the Minister of State, Ministry of Defence announced in a written statement that:

"the Ministry of Defence has signed a contract with Atkins in respect of the systems house role for the future rapid effects system".

The statement concluded:

"Finally, FRES is a complex programme, with obvious tension between competing demands such as capability, time to delivery and affordability. However, the award of this contract to Atkins provides us with the necessary industrial expertise and realism to examine those competing demands in detail and to make informed decisions in order to achieve the optimum FRES solution."—[*Official Report*, 16 November 2004; Vol. 426, c. 76–77WS.]

I shall highlight some of the areas that I believe should be kept under scrutiny about the feasibility of FRES and its objectives. The previous Secretary of State, who was supported by the Chief of the General Staff, General Sir Mike Jackson, said of the new capabilities, when speaking about the future of the army structure:

"They are being backed up by an impressive re-equipment programme,"

and went on to discuss

"modern vehicles such as the Panther armoured reconnaissance vehicle"—

which is now classed as the Panther command and liaison vehicle—

"and looking further ahead, the ambitious FRES armoured fighting vehicle programme, which will modernise the armoured vehicle fleet and form the basis of the medium-weight capability. These enhancements will directly improve the ability of the Army to deploy, support and sustain itself on the range of operations that we envisage. That can only be achieved as the result of the planned reduction by four in the number of infantry battalions, which will release around 2,400 posts for redeployment across the force structure."—[*Official Report*, 16 December 2004; Vol. 428, c. 1796.]

[Ann Winterton]

In an article published on 27 August 2003 in *Jane's International Defence Review*, Rupert Pengelley said:

"FRES exists mainly in the minds of the planners, and has evinced numerous conflicting opinions and interpretations as to its significance. These may be summarized as ranging from 'an elephant giving birth to a mouse', to 'a revolution in UK land warfaring.'"

On its website, Atkins describes FRES as:

"the UK Ministry of Defence (MOD) programme to provide the British Army with a family of medium-weight, network-enabled, air-deployable armoured vehicles to meet up to 16 battlespace roles."

It goes on to say that the key drivers for FRES are the needs for: an armoured rapid effect land capability; wide operational utility; maximum interoperability with other parts of deployed forces, other components and allies; and addressing the obsolescence of existing fleets.

Those drivers are closely aligned to the Army's strategic development themes of agile forces, effects-based operations and directed logistics, and seek, as the Ministry of Defence procurement agency website, updated on 16 May, under its FRES goal states:

"To enhance UK land forces' capability to conduct rapid Intervention, Warfighting and other Warfighting operations through a network-capable system of platforms allowing supremacy in battle space awareness, command and control, precision engagement, survivability, mobility, and availability".

Some see FRES, however, as a new medium-weight armoured fighting vehicle ideal for a future European Union battle group for rapid deployment, eventually creating a single European Union defence and security policy. In such a situation the United Kingdom might well lose command of its own forces in the future as a single EU defence system, enabled by the procurement route, is established. I can understand the Chief of the General Staff's logic that there is a shortfall in rapid intervention capability.

A soldier today is asked to conduct almost simultaneously hand-to-hand combat, peace enforcement and humanitarian operations. A key part to fill the gap in the medium-weight capability will be the future rapid effects system.

It is also necessary to look at what is happening in the United States of America. Its equivalent is the future combat system or FCS, which is a $110 billion project. The concept is based on all vehicles and other devices, and all soldiers being networked and tied into such effective sensors that near total situational awareness is achieved. That awareness, so the theory goes, enables the unit to kill from afar with precision weapons and supposedly ensures that combat forces are never tactically surprised. However, Afghanistan and Iraq have shown this presumption to be mistaken, as the enemy knows only too well not to take on sophisticated forces in the open but to draw them into urban areas for tactical surprise and a close fight where landmines and multiple attacks by rocket propelled grenades are most effective.

It is planned that 2,131 American Stryker vehicles are to be built, costing the future combat system huge sums of money and starving other projects of funding. The Stryker is an eight-wheeled monster, an oversized vehicle, unmanoeuvrable in urban areas, unstable when suitably armoured, poor as a gun platform, incapable of precision engagement and far too expensive to be used anywhere where it might be destroyed.

Lack of funding in the massive American military budget has meant that the successful 14,795 tracked M113 armoured personnel carriers have not been armour upgraded. The successful M113A3 is, however, the subject of what the Americans call a rise package and is being tested at present on banded tracks, which enables two of those vehicles to be airlifted compared with one Stryker. Although the HMMWV vehicle, a glorified truck, was useful for some transport, it has proved a disaster when used as a convoy escort in Iraq. They are not capable of withstanding landmine blasts or rocket-propelled grenades and have been responsible for many of those wounded and killed among American personnel. In short, in certain circumstances they are a death trap.

I can appreciate why the Ministry does not want to disclose any information about the armour of the future Panther command and liaison vehicle due for service in 2007. But as soon as they are in service it will become apparent whether they are up to the kind of combat in which our troops will then be engaged. I trust that the lives of our soldiers will not be put at undue risk and I am pleased that General Jackson has stressed that the medium-weight capability must have levels of firepower and protection as those vehicles will come up against anti-tank weapons.

It will surely be difficult to design a future FRES vehicle when one is not sure what will be put in it. Again, we can refer to the American experience, and debate whether it will be a wheeled or a tracked vehicle. The latter has the advantage of a very stable fire power platform, and the ability to turn on its own tracks for urban warfare and to go over obstructions. One of its disadvantages is higher maintenance, although that has been considerably reduced by the introduction of banded tracks. A tracked vehicle is also cheaper to produce, smaller and better armoured, with more internal space, and it is easier to airlift. Banded tracks virtually eliminate noise, and, when used in conjunction with hybrid electric drives, dramatically cut down acoustic signature.

We also know from the American experience that some new vehicles are not proving as effective as the old ones in certain operations. From answers to written parliamentary questions, we learn that FRES will involve a new breed of vehicle, not simply an updating of our present, effective S-series—the Scimitar and Sabre are probably the best known—of tracked vehicles, which are to be phased out by 2014. The expectation for the new vehicle will be for it to demonstrate a far greater ability, and not to turn out to be some fancy contraption based on technology that is useless in urban warfare. We want the very best for the safety and wellbeing of our soldiers, and should resist a boys and toys mentality by producing a vehicle that will do the job while giving maximum protection to those on operations.

If technology takes over from practicality, the estimated cost of FRES at £6 billion with running costs of £49 billion over 30 years is going to prove very expensive. It is a pittance in American defence expenditure, but with all the pundits predicting an economic black hole in the British economy, we have to

ask whether it can be afforded. In the meantime, the Army has changed policy direction, destroying county regiments in the process for something that it is doubtful that the UK could ever afford as an independent nation.

The thought strikes me that perhaps the game plan is that the United Kingdom should further integrate its defence and security resources with those of the European Union. At the European Council meeting in Helsinki in December 1999, the EU decided to set up a military rapid reaction force in the context of the European security and defence policy, based on voluntary but co-ordinated national and multinational force contributions from member states. The goal was for a force consisting of 50,000 to 60,000 personnel, to be ready for deployment within 60 days and to be operational in 2003. The rapid reaction force was intended to be not a standing army, but a pool of forces that could be drawn upon for EU-led military operations, the first of which was in Macedonia in the spring of 2003. The aim of the EU is to be able to conduct so-called Petersberg operations, which were defined by the Western European Union in 1992 and which include humanitarian operations, evacuation missions and peacekeeping operations, including the separation of fighting forces.

The EU has under development a new headline goal called HG 2010. That is also the date of the introduction of FRES. I wonder whether that is pure co-incidence. One of the objectives is the improvement of performance of all levels of EU operation through appropriate compatibility and network linkage of all communication equipment and assets, both terrestrial and space based, by 2010.

I understand that the FRES concept is about the use of technology to achieve total battlespace awareness, replacing heavy armour with air-transportable light armoured vehicles. It is designed for rapid reaction, but that is a rapid reaction—may I say with tongue in cheek—decided by EU committees, which sounds like a recipe for disaster. We are also moving away from the situation in which British forces operate alongside American ones to one that will be dominated by the EU dimension. We risk losing the special relationship with the USA, and interoperability with it will become ever more difficult, even impossible, as the technology across the Atlantic moves away from ours.

Will FRES be dependent on the Galileo satellite navigation system, with all the attendant difficulties that that will cause between the United States and the European Union, especially if China is allowed access to EU technology? Technology is driving the politics, conditioning and constraining political choices, and dictating whether we can form military alliances. The UK is moving further towards technological co-operation with its European Union partners. If, as a result, the USA withholds its technology from us, the divide will grow to such an extent that the special UK-US relationship could end.

Although the EU constitutional treaty has ground to a halt, the progress of one of its creations, the European Defence Agency, continues unchecked, despite the fact that it has no legal basis. The assessment phase of FRES will continue as if the democratic break of non-ratification of the treaty had not taken place. There is also no Treasury commitment to pay for FRES, which could, therefore, be under-funded, leaving the UK with an incomplete networking system, years behind schedule, and with totally the wrong vehicles, placing the lives of our servicemen in danger. There are even rumours that FRES will never see the light of day because of its huge cost and unproven technology. If that comes to pass, the infantry will have suffered for no valid reason.

Since the collapse of the Soviet Union, and with the rise in terrorist and insurgent activity, the nature of UK defence has had to change, and our armed forces have adapted to those changes. We have huge advantages because, although we are a small nation, we have a long history of loyalty to our country, and British soldiers are acknowledged to be the best-trained fighting force in the world. We politicians should see that they are also the best equipped, and have the tools to do the job expected of them as safely as possible.

I fear that the FRES vehicles will be wheeled and will, therefore, put our forces at a disadvantage, given that some 50 to 80 per cent. of insurgents carry RPG7s. The old adage is still apt: "If it has wheels, shoot at it, if it has tracks, you will die." My greatest fear is that, where defence is concerned, the UK will become trapped in the quicksand of EU integration and that NATO will be further undermined. If that happens, Parliament will lose even more power and will be increasingly unable to defend the United Kingdom and UK interests on behalf of the British people from whom it obtains its authority. While I accept the need for medium-weight capability, FRES may cause us to lose our interoperability with our closest and oldest allies, the American forces, and to give way to a new alliance that has not stood the test of time. It is early days, but we need to watch the ongoing development of FRES like hawks.

12.48 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Don Touhig): May I, at the outset, apologise on behalf of my right hon. Friend the Minister of State, who, as the hon. Member for Congleton (Ann Winterton) said, is in Portsmouth for the fleet review? He would otherwise have been here to answer this debate.

In addition, I congratulate the hon. Lady on having obtained time for this debate on a key programme for defence and for the Army. I am grateful to her for giving me the opportunity to explain, on behalf of the Department, the thinking behind the future rapid effects system programme. Having asked a number of questions, taken part in debates and raised issues concerning FRES, the hon. Lady has built up quite a knowledge of the programme and the idea behind it. Her contribution has been helpful and appropriate in the context of the wide-ranging debate that we need to have.

It might be helpful if I clarify what FRES is. I shall outline the drivers for the requirement, and give details of the progress that we have made in an immensely complex and demanding programme. The underlying requirement for FRES stems from two strategic requirements. First, we need to replace some of our current armoured vehicles, such as the Saxon, the FV 430 and the CVR(T), and, secondly, we need to develop a medium-weight capability so that we have a balanced force of heavy, medium and light brigades.

[Mr. Don Touhig]

FRES will also be rapidly deployable by air at battle group level—in other words, a battalion or regiment-sized force. The strategic defence review and its new chapter identified the need to enhance our expeditionary capability, but since then our thinking has developed further. The 2003 and 2004 defence White Papers clearly explain our vision to develop a highly effective medium-weight capability. As a result of the review, the Army will be rebalanced, reducing the emphasis on heavy armoured forces and increasing the emphasis on light and medium forces.

By ensuring that each deployable brigade is fully manned and has its own integral enablers and logistics, the Army will be better equipped and structured to conduct all types of operations. FRES is at the heart of the Army's equipment programme and it will have wide uses, not only in the medium forces, but also as a key support role for our heavy forces.

Whether for short intervention operations or enduring peace support, we often need forces with greater firepower, protection and mobility than that of light forces, but with deployability and agility that cannot be achieved by heavy forces. By providing this capability, FRES will underpin the rebalancing of the Army and the development of a truly effective medium-weight force.

In a nutshell, FRES will be a family of medium-weight armoured vehicles of around 20 tonnes, enabled by communications, information and surveillance systems, with the growth potential to develop over time. It will be the central pillar of the Army's capable and deployable balanced force, which will have a wide operational role, from warfighting to peacekeeping.

Ann Winterton: Would the Minister explain whether the current thinking is that the FRES vehicle will be tracked or wheeled? I know that there is an internal battle going on at the moment and I am interested to hear what he believes the outcome will be.

Mr. Touhig: To help the hon. Lady, I can say that the issue of whether the vehicle is wheeled or tracked is under consideration as part of the assessment phase we are going through at this time.

FRES will fill a wide range of combat and support roles. Those roles will range from a vehicle to provide protected mobility for infantry, through command and control vehicles, to a new scout vehicle for reconnaissance tasks. These medium-weight armoured vehicles will mean that FRES will be significantly lighter than our current heavy armoured forces based on the Challenger 2 and the Warrior armoured infantry fighting vehicle, but I should make it clear that FRES will not replace Challenger 2, Warrior or the AS 90 guns in our heavy forces.

FRES will take full advantage of investment in our communications and information systems network. We intend that it should be network capable; it will not provide the network, but it will contribute to it. It will make full use of network-enabled capability. By this I mean that it will provide the coherent integration of sensors, decision makers and weapons systems through communications and information systems. That will enable FRES to perform roles such as command and control, dissemination of intelligence and situational awareness and control of firepower.

FRES is a complex and demanding programme. The requirement is broad and covers a wide range of military capability. We will need to take a pragmatic view of how to balance some of the individual requirements, such as combining high levels of protection and low weight, or large capacity and small size. The programme will need to interface with a range of existing and planned equipment if we are to deliver the full benefits.

Beyond the equipment programme, the Army will also need to consider the programme's wider implications, such as the impact it will have on doctrine and how the Army trains. Given this complexity, we are approaching the programme with a careful, rigorous and objective assessment of the technical options. We will consider industrial issues and the acquisition strategy, as well as the broader implications for the Army of bringing FRES into service and, of course, the risk.

As part of the current assessment phase, which began last year, the FRES integrated project team assisted by Atkins, an independent systems house, is investigating those and other issues to ensure that FRES is cost-effective, value for money and successfully delivered. Until we make the main investment decision, time, cost and performance parameters will not be set. We will take that decision only when we are confident that the programme is mature enough to provide accurate answers to the issues that I have outlined.

The hon. Lady asked whether the 2010 date for the introduction of FRES was purely a coincidence, and from the Government's point of view, it is. She also asked whether FRES is affordable. Affordability is a key factor in the assessment phase. Costs will not be formally approved until the main investment decision point. We currently expect FRES to have an approximate total procurement cost of £14 billion. The hon. Lady also made some important points about the use of FRES in urban areas, and the lessons that we have learned in recent conflicts will be taken into account throughout the assessment and planning stage.

To take the project forward, we have identified a series of planning assumptions that provide a basis for the planning of FRES and for interacting programmes. As new information emerges from the assessment phase, those assumptions may evolve, but under our current assumptions, we expect FRES to deliver about 3,500 vehicles, with the first variants entering service early in the next decade.

The assessment phase is now well under way, with technology risks being addressed through rigorous systems engineering work and a number of technology demonstrator programmes. So far two such programmes have been placed: a contract for capacity and stowage has been placed with the Defence Science and Technology Laboratory and a contract for defensive aid suites is with Akers Krutbruk. Another five contracts—two for the chassis concept, two for the electronic architecture and one for electric armour—are currently being negotiated.

In parallel, the systems engineering work has developed a number of fleet options, which are now being assessed in more depth. The acquisition strategy

will be critical to the successful delivery of FRES. Industrial capacity for armoured vehicle design, integration, manufacture and assembly is clearly key to the programme.

In the context of defence industrial policy, we will need to consider a wide range of issues, including employment. We must also assess the importance of retaining a UK industrial capacity and capability which, at a minimum, allows us to maintain and upgrade current and future equipment. The Defence Procurement Agency is currently considering how we can achieve that while delivering value for money.

As the hon. Lady suggested, another issue to consider is the scope for co-operation with other nations, including in the context of the European Defence Agency's initiatives. We are clear, however, that current FRES timelines must be maintained. No decisions on co-operation between FRES and other nations' armoured vehicle programmes have yet been made, nor do we expect to make any before the main investment decision point. I should also reassure the hon. Lady that FRES will not be dependent on the European satellite navigation system, Galileo, which is a civil programme under civil control.

FRES is a key programme for the Army and for defence and it is vital to fully achieving our vision of a rapidly deployable medium-weight capability. Its complexity means that we would be rash to rush into decisions before we have fully investigated all the issues. By following best practice, which is enshrined in the smart acquisition initiative, the programme is moving forward and it has considerable momentum. It remains a cornerstone of our future equipment programme.

Since the assessment phase started last year, a huge amount has been achieved. Atkins, the systems house, has been appointed and integrated into the FRES team. The system's engineering process has begun to narrow down the options, and the development of an acquisition strategy has begun. The technology demonstrator programmes are under way and more will start soon. A wide range of firms were informally engaged through a highly successful industry day in January.

FRES will be an important enhancement to our defence capability, and I hope that, as debate continues, we will be able to share our plans and ideas with people such as the hon. Lady. She has taken a considerable interest in the matter, and, again, I thank her for raising the issue today.

Mr. Luke Noble

1 pm

Mr. Stephen Hepburn (Jarrow) (Lab): In August 2004, a young, healthy lad from my constituency, Luke Noble, was tragically killed in a horrific boating accident in the British Virgin Islands. Luke Noble was on holiday visiting his aunty and uncle. His uncle is on secondment there from the Northumbria police force. Luke and his three friends were returning to their yacht in a small dingy after a meal in a yachting club in the harbour. Their small dingy was struck by a speed boat, causing the drowning of Luke and his friend Campbell Harty, and causing serious injuries to Luke's cousin, Stephen Noble, who suffered a broken back. Ian Murray, another young lad, luckily and thankfully escaped injury.

The incident was caused by a man named Arjaan Hendriksen. He was later arrested and his trial started on 31 May 2005. The case relied on the evidence of six main prosecution witnesses, four of whom were classed as eye-witnesses. One of the witnesses, Katrina Olsen, is an emergency medical technician for the Virgin Islands search and rescue service, which is the equivalent of our Royal National Lifeboat Institution. Her yacht was just behind the dingy when the lads were going out to the yacht. Just before the accident she had seen Hendriksen in his Boston whaler power boat, driving past her at high speed, shouting "Yahoo!" A short time later he passed her again at high speed and then she heard the collision as his power boat smashed through the young boys' dingy. She heard cries for help and she saw the Boston whaler power boat being driven off at high speed. The Boston whaler had hit the small dingy and thrown all four boys into the water.

Another witness, Brian Hawksfield, an experienced sailor from Hartlepool, who was classed as an expert witness at the trial, said that according to the sea version of the rules of the road—a sort of highway code—not only was Hendriksen speeding, but the boys had right of way in that mooring area. To put it bluntly, in motor vehicle parlance, he sped across a junction at three times the speed limit, causing this accident.

The pathologist who conducted the post-mortem on both boys said that they were not killed by the impact of the power boat; they drowned. If the boys had been pulled from the water in time, they would have survived. As I mentioned, Hendriksen sped off from the boys without offering any help or even reporting the incident to anyone until much later.

When Hendriksen's defence expert at the trial—a maritime expert who gives advice to the US coastguard—was asked what he thought about a situation in which an experienced mariner such as Hendriksen left the scene of a maritime collision when four boys were in immediate peril of drowning, he answered that it was improper. Even Hendriksen's defence expert could not come to his assistance.

The matter was put before a jury who came back only two hours later with the unanimous verdict that Hendriksen was guilty. Justice had been done—or so we thought until the judge came on the scene. The honourable Justice Indra Charles stated that she did not regard this as a criminal conviction and that she

[Mr. Stephen Hepburn]

considered that Hendriksen had suffered enough. Although Mr. Hendriksen had been found guilty, she claimed:

"he is not a criminal in the sense of the law".

She went on to say:

"It is a criminal conviction",

but then asked:

"Has he paid enough for it already?"

Remember: this is a bloke who carried out what can only be called a hit and run at sea.

However, the judge did not stop there. She then said something that I cannot believe: she said that any of us could be unfortunate enough to find ourselves in the same position as Hendriksen. Talking about herself, she said:

"I on a Friday night might after two and a half glasses of wine hit somebody . . . it can happen to anyone".

She said:

"I don't know if I would remain at the scene."

What a shocking case, when a judge of the Crown can turn around and say that she could go out on a Friday night, have a drink, drive a car over the speed limit and cause an accident—and not even know whether she would hang around or flee the scene. The woman is either crackers or incompetent, and she should be investigated. In the end, Hendriksen was fined the equivalent of £33,000—in other words, just £16,500 for each boy's life.

I conclude by asking the Minister to do three things. First, in the light of what I have said today and in the light of the transcript of the trial, I ask him to investigate the judge—that urgently needs doing. Secondly, I ask him to introduce a system of appeals in the British Virgin Islands legal code. Obviously, if the incident had happened in this country, the Noble family would have the right to appeal to try to get justice. That right does not apply in the British Virgin Islands, but it should, not only for this case and those people who go there on holiday, but for British Virgin Islands residents. Thirdly, I would like the Minister to instruct the Governor to review the sentence in this case. Not a review of the trial—Hendriksen has been found guilty, and guilty he is. If such a light sentence had been dished out in this country, the Attorney-General rightly would be able to review it.

To conclude, the Nobles are a lovely family. They have nothing but praise for the residents of the British Virgin Islands, who were friendly, honest and supportive. The Nobles have nothing but praise for the staff of the British consulate in the British Virgin Islands who supported them when they suffered this tragedy. However, the Nobles believe that they should receive justice. As the British Virgin Islands are an overseas territory, the Government have a responsibility and a duty to give the Nobles justice.

1.7 pm

The Minister for Europe (Mr. Douglas Alexander): I begin my contribution to this debate by paying tribute to my hon. Friend the Member for Jarrow (Mr. Hepburn) for securing this debate and commend him for the concern and interest that he has shown in this matter on behalf of his constituents. The death of two young boys is tragic, wherever it occurs, but when it happens so far from home it is all the harder for the family to come to terms with their grief. They have our sincerest condolences.

It may aid understanding of the role of the Governor and of the Foreign and Commonwealth Office in a case such as this if I briefly outline the constitutional status of the British Virgin Islands and thereafter discuss its traditional system. The British Virgin Islands is a British overseas territory with a large measure of internal self-government. The Governor, who is appointed by Her Majesty the Queen, is both her representative in the territory and the constitutional head of the British Virgin Islands Government. He or she has direct responsibility for external affairs, defence and internal security, including the police, the public service and the administration of the courts.

The constitution provides for a ministerial system of government headed by a Chief Minister, an Executive Council chaired by the Governor, and a Legislative Council. The Government of the British Virgin Islands have front-line responsibility for all aspects of life in the territory that do not fall within the Governor's responsibilities. The present constitution came into force in 1977 and has been amended periodically, with the last amendment being effected in 2000. A constitutional review is under way: the constitutional review committee appointed by the British Virgin Islands Government submitted its finding to that Government in April.

The Governor has responsibility for the administration of the courts, but, to guard against possible or perceived claims of interference, the judiciary itself is entirely independent. The British Virgin Islands, like all British overseas territories, has its own separate legal jurisdiction and its own body of civil and criminal law. The judicial system in the British Virgin Islands consists of a local magistrates courts with a single stipendiary magistrate and, above that, the Eastern Caribbean Supreme Court, which consists of a High Court and Court of Appeal. Two High Court judges, who are appointed by the Eastern Caribbean Supreme Court, reside in the territory, while the Court of Appeal is a circuit court.

The Eastern Caribbean Supreme Court covers nine countries and territories of the Eastern Caribbean. Three British overseas territories—Anguilla, Montserrat and the British Virgin Islands—fall within its jurisdiction. Based in St. Lucia, it was established in 1967 by the West Indies Associated States Supreme Court Order, when all its members were still UK-dependent territories. Above the Eastern Caribbean Supreme Court is the Privy Council, which is the final court of appeal in both civil and criminal matters for all overseas territories.

One of the issues that my hon. Friend raised was the appointment of judges in the overseas territories and I will say a word or two in response. In most territories other than those covered by the Eastern Caribbean Supreme Court, about which I have just spoken, the Governor appoints judges. As I explained, the Eastern Caribbean territories and states have been within the court's jurisdiction since 1967. The court is widely respected as a judicial body of long standing and has served the relevant independent states of the Caribbean and the three overseas territories well. However, my

hon. Friend asked whether it would be possible to register a complaint about the conduct of an individual judge. The Eastern Caribbean Supreme Court has no formal complaints procedure although there is a disciplinary process if allegations are made against a judge. That would not apply if it was decided that a judge was simply exercising judicial discretion.

As my hon. Friend said, the sad events that we are discussing took place on 5 August 2004 and the following morning. At 11 pm a collision occurred between a dinghy holding Luke Noble, Denis Campbell Harty, a United States national, Ian Murray and Stephen Noble and a boat—a Boston whaler—operated by Dutch national, Arjaan Hendriksen. At midnight, the Virgin Islands search and rescue service was alerted and joined the search for the boys. Ian Murray and Stephen Noble were found and taken to hospital. A US coastguard helicopter joined the search at first light the following morning with the Royal Virgin Islands police plane. At 8 am, the bodies of Luke Noble and Denis Campbell Harty were recovered. The Governor's office informed the Foreign and Commonwealth Office and the United States consul in Barbados of the incident.

The case was heard in the High Court of the Eastern Caribbean Supreme Court and started on 31 May this year. The accused was charged with two counts of manslaughter under section 153 of the British Virgin Islands criminal code of 1997. On 15 June 2005, he was found guilty on both counts and on 20 June was sentenced to a fine of US$30,000 on each count. The right of appeal against both verdict and sentence is subject to British Virgin Islands legislation. As the legislation stands, there is no provision for the prosecution to appeal against the sentence. We understand that following the case a review of the situation, which is already under way, will be speeded up. That is the substantive answer that I offer to my hon. Friend's query about the capacity for cases to be reviewed. As I said, in the light of this case, a review is taking place in the British Virgin Islands.

The Governor's office provided practical assistance following the accident and took a close interest in the case throughout. Staff maintain contact with the family through Luke's uncle, Tony Noble, who is resident in the British Virgin Islands and seconded to the Royal Virgin Islands police force. The Governor wrote a letter of condolence to Mr. and Mrs. Noble shortly after the accident.

The Governor's office kept the overseas territories department of the Foreign and Commonwealth Office, which is responsible for the British Virgin Islands, fully informed of developments. The officer responsible for the British Virgin Islands in the Department was in contact with a member of Luke's family and wrote a letter of condolence to Mr. and Mrs. Noble. After initial contact with the Foreign and Commonwealth Office, the family did not request further assistance.

As an overseas territory under British sovereignty, there is no legal framework for the provision of consular services that are normally provided by a state to its nationals in the territory of another state. However, we are well aware that to many UK tourists the overseas territories are as foreign as independent countries. The Foreign and Commonwealth Office and the staff in the Governors' offices are always ready and have appropriate training to provide assistance informally to visiting British citizens who may require help in an emergency while in an overseas territory.

In conclusion, I repeat my thanks to my hon. Friend for raising this issue. We all feel sympathy with the Noble family, who have suffered a heart-wrenching loss. The loss of a loved one of such a young age is a tragedy. However, I hope that during this debate I have at least been able to clarify for my hon. Friend exactly how the judicial system in the British Virgin Islands works and where responsibility for decision-taking lies. As I tried to explain, no scope exists for appeal by the prosecution against sentence. Given its responsibility for the criminal justice system within the territory, it is the responsibility of the British Virgin Islands Government to review any change to the system. We understand that they are now doing do.

1.15 pm

Sitting suspended.

Asbestos

1.30 pm

Paul Rowen (Rochdale) (LD): I am grateful for the opportunity to discuss asbestos-related issues in an Adjournment debate. I shall refer to a particular site in my constituency, the former Turner and Newall site in the Spodden valley, although the issues range much wider.

I am grateful to hon. Members, such as the right hon. Member for Leeds, West (John Battle), for their work on the issue of asbestos pollution. I want to build on that work by examining in particular how asbestos pollution applies to the development and regeneration of former asbestos factory sites.

I shall talk in particular about the lack of scientifically authoritative environment and health standards on asbestos in soil, rubble and the air, to which the developer and local planning authorities can work and which they can use to make risk assessments. I shall also talk about the problems with the detection limits of current analysis methods for asbestos in soil, and about the long latency period of between 10 and 50 years before mesothelioma is developed as a result of exposure, which means that we will not know whether any site has been developed safely for many years.

I shall also discuss the fact that the onus is placed on the developer of any proposed development to furnish evidence and for the local authority to challenge and check that evidence. That can present opportunities for unscrupulous developers to downplay the problems. That has happened with the Turner and Newall site, as I shall demonstrate. Finally, I shall also talk about the lack of clarity surrounding the jurisdiction of enforcement agencies.

Current guidance for dealing with contaminated land sites is covered in part II of the Environmental Protection Act 1990, and in planning policy statement 23, which states that local planning authorities

"should recognise that the development process is often the most effective way of achieving action to remove unacceptable risks arising from the contaminated state of land."

I concur, provided that some of the concerns that I have mentioned can be addressed.

The Turner and Newall site in my constituency is currently the subject of a planning application. The Turner and Newall factory was the world's first and largest asbestos factory; it had 72 acres and was the headquarters of the entire multinational conglomerate until 1948. Production began in 1879 and ceased in 1996. Incredibly large quantities of waste dust were dumped on the site and in surrounding areas. Some of it is still present. For example, a 1957 Turner Brothers Asbestos document confirms that 300 tonnes a year of filtered air dust was collected.

The potential sources of asbestos contamination in the Spodden valley site are as follows: asbestos waste dumped throughout the site; the demolition of the asbestos factory buildings—some have been demolished, but others are still present; disturbing soil on the site, which might be affected by decades of asbestos fallout; and the contamination of controlled waters, especially from flooded mine working.

MMC and Countryside Properties have submitted an application to build 650 houses on the site. The application is currently the subject of an independent review commissioned by Rochdale metropolitan borough council.

I should like to show how the five issues that I mentioned at the start of my speech can have an impact on decisions taken at this site and others. The Department of Environment, Food and Rural Affairs has published soil guideline values for some common contaminants in soil, but it states in contaminated land report 8 that SGVs are not currently envisaged for asbestos. Why not? If any asbestos waste contains 0.1 per cent. by weight, it is classified as special waste, which must be disposed of accordingly. Guidance note 64/85 from the inter-departmental committee on the redevelopment of contaminated land states:

"Concentrations of respirable fibres of asbestos in soil as low as 0.001 per cent. by weight may in loose dry soils give rise to measurable levels of asbestos fibres if disturbed."

At the request of residents, the Health and Safety Commission recently tested rubble from parts of the factory buildings on the site. Of the eight samples tested, three confirmed the existence of asbestos of up to 1 per cent., which is 10 times higher than the proportion ensuring that waste is classed as special waste. Yet in his planning submission, the developer stated:

"Of particular note is the absence of any asbestos contamination";

and in a meeting with local councillors earlier this year, he and his expert witness said that the tests on the rubble had all been negative. For the past 10 months, open wagons have been transporting that rubble around the borough to unknown places, and subject to no control. That brings me to my second point about the testing regime. The guidance suggests the use of polarised light microscopy, but that can detect levels of contamination only at 1 per cent.; it does not deal with contamination of 0.1 per cent. or 0.01 per cent. If we are to assess the level of contamination accurately at such sites, we urgently need guidance that sets safe levels and uses a different method of detection, such as electron microscopy.

The third point is the long latency period. We will not know for between 10 and 50 years whether the decisions made now are right. The Cape asbestos factory in Barking is a good example. It was demolished in the 1970s to make way for the Hart Lane estate, but we are now hearing of deaths caused by mesothelioma among residents. My source for that information was the 2003 ITV documentary, "Toil of Death".

The stakes are high in any planning application. This case involves a development costing up to £100 million for which the developer has so far paid Rochdale council a £5,500 planning application fee. For that, the council is expected to carry out all the checks and controls to ensure that the developer is acting honourably. Again, I refer to the fact that the developer said:

"Of particular note is the absence of any asbestos contamination".

That is simply not accepted by local residents, many of whom have lived, worked and played in the area all their lives. We know that asbestos has been dumped on the site; we know that it pervades some of the buildings; and we know that if the site is to be developed safely, as everyone wants, proper planning controls and guidance must be given. The lack of guidance on safe levels of

asbestos in the soil and air, and on the methods of testing, is hindering the development of this and future sites.

Jim Dobbin (Heywood and Middleton) (Lab/Co-op): As one of the Rochdale Members of Parliament, I too live close to that site. I have lived there for more than 30 years, so I am aware of its chequered past. I have listened carefully to the hon. Gentleman, and I put it to him to that the former Turner and Newall site has highlighted a massive deficit in health and safety regulations that is specific to the removal of asbestos. I am well aware that the local authority is involved in an independent investigation, but it is also part of the planning process. Before any houses are built or the site is used for any other community purpose, development of the site should be postponed until a genuinely independent and reliable group of experts deems it to be safe.

Paul Rowen: I concur. Clear guidance is lacking on what are classed as safe levels and which methods of testing should be used to prove those levels, and it urgently needs to be issued.

That brings me to my final point: the role of the various agencies in dealing with such sites, including the Health and Safety Executive, the Environment Agency, the public health inspector, the primary care trust and the local authority. Until May, I was involved as leader of Rochdale council, and my experience is that there is a lack of co-ordination and clear policies—indeed, there is a lack of time for some officers—for dealing with a developer who is clearly ducking and diving and being less than honest about the problems on that site.

A local authority officer who expressed his concerns about the development of the site told me that the main way in which such developers can act is through gaps between HSE powers when works are undertaken and the local authority's powers through the planning system. Between the two, there is a black hole of dealing with the problems at the TBA site. He said that there is limited guidance on the health implications, and enforcement under the enduring power of attorney could have significant financial implications for the local authority. What can happen when that goes wrong was shown at the Chatham naval dockyards. Failure to assess the quantities of contaminated material accurately resulted in expenditure of £680 million, compared with the original estimate of £23 million.

We owe it to the thousands of people who have already died from asbestos-related diseases, through ignorance of the risks of past levels, to ensure that any future developments on such sites proceed with clear standards and a clear understanding of the safety implications. We support the Government's policy of developing brownfield sites, but it should be done safely. That can happen only when the statutory authorities issue guidance, so that the developers can have a clear understanding of their responsibilities and the local authorities can enforce them adequately.

1.43 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): I congratulate the hon. Member for Rochdale (Paul Rowen) on securing this debate on such an important issue. He raised a number of important points, to which I shall try to respond. However, as I am sure he will understand, I must make it clear from the outset that I cannot discuss the merits of the case in detail, for reasons of propriety surrounding the possibility of its coming before the First Secretary of State for decision. I shall first set out the national framework on contaminated land and then consider the local issue.

A new regime, known as part IIA of the Environmental Protection Act 1990, which the hon. Gentleman mentioned, came into force in England in April 2000 to address contaminated land, including land contaminated or potentially contaminated by the manufacture and use of asbestos. The legislation places a duty on local authorities to identify contaminated land in their areas, and to ensure that appropriate remedial action is taken. Full details of the regime, including statutory guidance, can be found in the Department of the Environment, Transport and the Regions circular 02/2000 "Contaminated Land".

The part IIA regime recognises that a remediation of contaminated land through the planning system is appropriate in certain cases. Development can bring with it a means to pay for that remediation, which might otherwise not take place for some time if a site has to be tackled through the mechanisms provided in part IIA.

To help enable the planning system to make an effective contribution to dealing with contaminated land, the Government published planning policy statement 23, "Planning and Pollution Control", in November 2004. Annexe 2 of the PPS "Development on Land Affected by Contamination", explains for local authorities, developers and other stakeholders how the key principles and concepts in DEFRA's statutory contaminated land regime and in part IIA of the Environmental Protection Act 1990 can and should be applied in considering proposals for the development of contaminated land.

The annexe shows how the process of development can remediate contaminated land. The planning system can impose planning conditions on any development where contamination has been identified to ensure that human health and other risks are addressed and that development, if approved, is suitable for its new use.

As dictated by PPS23, extreme caution must be exercised by the local planning authority in the granting of outline planning permission, unless it is satisfied that it has received enough information from the applicant about the condition of the land, its remediation and the full range of environmental impacts arising from the proposals to be able to grant permission in full at a later stage. Having considered the information available about any site contamination and the proposed remediation measures and standards, the local planning authority, if satisfied that the development is appropriate, has the powers to grant planning permission subject to any conditions requiring such further investigations and remediation, including verification, as is necessary, reasonable and practicable. At the same time, if, on the basis of the information provided by the applicant and that available from other sources—including the responses of those consulted—the local planning authority is dissatisfied, it would have the right to refuse permission.

Removal work involving particular types of asbestos is required to be notified in advance to the enforcing authority, for example the Health and Safety Executive.

[Jim Fitzpatrick]

Notification includes the provision of an appropriate risk assessment and safe method of work. Those are considered by an inspector, to ensure that they are appropriate in controlling and minimising any spread of asbestos from the proposed work. Where necessary, the company may be required to amend its proposed work method. All persons carrying out such work with asbestos are required to undertake regular training—on an annual basis—about their knowledge and use of personal protective equipment. In addition, in various circumstances, the remediation of land and buildings can involve waste management operations, which may fall to the Environment Agency to regulate under, for example, part II—as distinct from part IIA—of the 1990 Act.

On local issues, I turn to the matters that prompted the debate: the proposal for the development of the former Federal-Mogul site that is approximately three quarters of a mile from Rochdale town centre, which was referred to by the hon. Gentleman as Spodden valley. The proposal takes the form of an outline planning application being considered by Rochdale borough council for 650 dwellings, together with office and light industrial development and community facilities including a neighbourhood centre and a convenience store.

The Environmental Protection Act 1990 offers the possibility of direct action by the local authority to remediate the contamination, but planning policy statement 23 states that local planning authorities

"should recognise that the development process is often the most effective way of achieving action to remove unacceptable risks arising from the contaminated state of land."

That is what is proposed at Spodden valley.

The planning policy statement also states that local planning authorities

"should include appropriate policies for the remediation of contamination where it is known or suspected to exist and for dealing with the implications of contamination for other policies and proposals."

That is what the council has done in its replacement unitary development plan designation. In line with PPS23, it is considered that the appropriate courses of action leading to the remediation of the site can be achieved through the planning process.

At present, the planning application is with Rochdale. In the first place, it is for the council to come to a view about the application. The application was supported by an environmental impact assessment under the terms of the environmental impact assessment regulations. The council has employed consultants to assess the proposals and provide technical advice in respect of the site's contamination and its remediation.

The consultants have been employed to review the information submitted with the planning application and to report on the adequacy of the submission. They are required to advise on the adequacy of the assessment and description of the site in its current state and investigations undertaken, including the adequacy of sampling and analytical techniques used; the adequacy of the assessment of current risks to human health and the environment; the adequacy of the assessment of risks during development and of proposals to control those risks; and the adequacy of the remedial proposals for all areas of the site and the final risk assessment for human health and environment.

The review is well under way. It has been agreed with the applicant that no further investigation or sampling works will be undertaken by or on behalf of the applicant until the assessment has been completed by the consultants. Officials in the Government office for the north-west are aware that the application has aroused strong feelings and they have been in contact with the council over the past few months, while work to assess the implications has been taking place. They will continue to monitor matters closely and I have asked them to keep me up to date.

Paul Rowen: Will the Minister consider my point about the need for DEFRA and the Environment Agency to issue detailed guidance that would enable the council and the developer to reach a better understanding of the development of the site, and similar sites?

Jim Fitzpatrick: The hon. Gentleman anticipates my very next point. He raised two points that I was not in a position to answer before the debate, but on which I have sought advice. As to inadequate guidance on safe soil contamination values, I shall ensure that the hon. Gentleman's comments are carefully examined by my colleagues who are responsible for those matters in the Department for Work and Pensions and DEFRA. I shall also ensure that the points of jurisdiction that the hon. Gentleman wanted to have examined will be taken up by my colleagues in the DWP, for the Health and Safety Executive, and in DEFRA, for the Environment Agency. If the hon. Gentleman will forgive me for not being able to respond directly today, I shall ensure that he will be written to in due course.

I am aware that the proposal has given rise to a large number of local objections. I fully understand the reason for the concern of the hon. Gentleman's constituents. However, it is clear that all parties who are involved in the development and remediation process have acted, and continue to act, in accordance with current legislation and guidance. Clearly, the scheme is of great importance to Rochdale, and everyone involved in it shares the concern of the hon. Gentleman about the overriding need for safety in seeking to bring about a package of development that could significantly boost the regeneration of the town.

In conclusion, I understand the hon. Gentleman's concerns and agree that we need to guarantee absolute safety in dealing with land contaminated by asbestos. I assure him that the Government are doing all that they can to ensure that legislation and guidance is followed, so that the Spodden valley site in Rochdale can be made completely safe for those who work on it, and those who might occupy the dwellings, offices and community facilities that are envisaged under the present proposals. I assure the hon. Gentleman that planning permission will not be granted for the scheme unless all those involved in determining the application are completely satisfied about all aspects of the proposal, including the safety, human health and environmental issues that it raises.

Question put and agreed to.

Adjourned accordingly at seven minutes to Two o'clock.

Westminster Hall

Wednesday 29 June 2005

[MR. ROGER GALE *in the Chair*]

Council Housing

Motion made and Question proposed, That the sitting be now adjourned.—*[Alan Campbell.]*

9.30 am

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I am pleased to have secured this important debate, but I am extremely sorry that it will create criticism of the Government whom I have been delighted to support in so much of what they have been able to do. It coincides with two important reports, which both reinforce the dire need to review and turn round Government housing policy. New Labour might call this policy a failed or a failing one.

The report of the House of Commons council housing group puts the case straightforwardly for a fair allocation of funding, both for revenue and capital, for the provision of council housing. That refers to rented housing owned and managed by our local authorities. The report is based on the views of those much neglected people, the tenants of our local authorities.

My right hon. Friend the Prime Minister declared that he wants to listen to the voices of the people. This morning he has the perfect opportunity to do so. For if we use tenure as a surrogate for class, we can see that the mass of people—the C2s—who remained at home on 5 May came predominately from our council estates. They were baffled and bemused as to why a Labour Government should be so unashamedly trying to undermine perhaps the greatest of our post-war achievements in the provision of public housing—the greatest single measure that has produced good policies on public health in our country. They cannot understand why a Labour Governments would be withdrawing support from councils and their tenants.

The second report comes from the Audit Commission. It calls on the Government to review the housing subsidy system in the light of the commission's findings, the most important of which is the conclusion that council housing broadly pays for itself. That message should go out. The report further points out, as does the report by the Defend Council Housing group, that many councils more than meet their costs and that the Government then remove the surplus in order to meet the costs of those councils that have deficits. The reason some councils produce deficits on their rent account is simply that their tenants are too poor. So we have the disgraceful spectacle of the less well-off subsidising the least well-off in our society.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my hon. Friend agree that the second point to which he referred, that of the Audit Commission, has particular force? It does not come from the stance of the Defend Council Housing group or that of the House of Commons council housing group, which want to promote council housing. It takes an objective hard-eyed stance about where we are going on housing. Is that not the worrying factor from the Government's point of view?

Mr. Purchase: My hon. Friend makes a good point. I have rarely come across people from the accountancy profession, particularly those who work at that level, who are national council house supporters. If they reach the conclusion that the review is necessary, we can take it that there might be something in it. That is what we hope to persuade the Government of this morning.

On subsidising the least well-off by the less well-off, I want to tell the Minister and the Government that a cardinal principle of socialism and also of every Labour Government since the war is that poverty is to be remitted from the centre by general taxation. Council housing finance at the moment is a throw back to the outdoor relief introduced by the Elizabeth I. We are in the reign of Elizabeth II and the daylight robbery of council tenants disgraces us all.

Let me offer a few statistics as a background to our debate. After successive assaults on housing shortages in the post-war period, by 1979 England had a crude housing surplus. By that, I mean that nationally there were more dwellings available than families wanting them. Regional variations still needed considerable attention, especially in areas such as London, and disrepair, especially in the private rented sector, was serious. At that point of crude surplus, there were more than 5 million homes under the ownership and management of local authorities. Today, after the sale of 2.8 million council homes, there are fewer than 2.5 million. That is by no means compensated for by a growth in either the housing association or private rented sectors. There are 1.3 million fewer homes available for rent now than in 1979. No wonder there is a problem.

Of course, it is true that owner-occupation has grown, but the truth is that many people have been pushed into buying houses that they can scarcely afford and, in years to come, we shall see that such marginally viable owner-occupation will produce levels of disrepair that will result in the need for a massive injection of funds, probably from the public purse and the taxpayer.

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend makes an important point about people being forced into the marginally viable owner-occupied sector. With a slight downturn in the economy, some of those people become unemployed. Then they lose their homes, which are repossessed. Ten years ago, that factor destroyed a Conservative Government; it could seriously damage a Labour Government if we are not careful.

Mr. Purchase: The point is well made. Many in this Chamber will have dealt with the tears of their constituents during that dreadful period when housing costs rose astronomically on the back of increasing—ever-rising, it seemed at the time—interest rates. That scenario will always threaten those pushed into what I call marginal home ownership.

Figures from the Library show that the number of people registered for council housing has increased by 40 per cent. since 1997. That means that more than

[Mr. Purchase]

300,000 more families are waiting. According to the Library, the waiting list now stands at a staggering 1,434,000 families.

Bob Russell (Colchester) (LD): Does the hon. Gentleman accept that that figure is artificially low because it is difficult for many low-income families to get on the so-called waiting list?

Mr. Purchase: Yes. It is my understanding that that problem exists. I will deal with that a little later. However, that is the figure provided by the Library and I think that it will bear scrutiny.

Joan Walley (Stoke-on-Trent, North) (Lab): In Stoke-on-Trent, the council housing waiting list is 6,000 and there are 2,000 vacancies, so that means that there are about three people for every vacancy. The issue is not just the Library figures; we are talking about real people in real communities throughout the country and their need for there to be investment in council housing on a level playing field.

Mr. Purchase: I am grateful for my hon. Friend's comments. I hope to deal with that very point in a moment.

The families accepted as homeless just last year numbered 30,000. I have written to my right hon. Friend the Prime Minister to tell him that that is unacceptable while a Labour Government are in power. Behind those cold statistics and the Audit Commission's report lie the stories of despair revealed in our Defend Council Housing report. My hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) has just mentioned that in relation to her constituency. Members learn every week of greater and greater distress among their constituents. On Friday, at my advice session, I met a woman with three children—not uncommon, people might say. She lives—or should I say exists—in a run-down private let. One bedroom is in such disrepair that it is uninhabitable. The rent is £120 per week. Those responsible for housing benefit say that it should not be more than £100 a week, and that limits her entitlement. She cannot pay the landlord the other £20; she simply does not have it. Nevertheless, every week taxpayers pick up a bill for twice the amount that it would cost if my constituent could get a council house.

Nationally, unregulated tenancies attract a housing benefit subsidy of at least half as much again as council tenancies. In London, that subsidy can be three or four times greater. That additional subsidy is fast becoming worth £1 billion a year, and it is going straight into the pockets of private landlords, some no better than latter-day Rachmans. At least with housing benefit paid to council tenants, taxpayers' money remains in the public purse, albeit brokered through the housing revenue account.

The financial aspects of my constituent's plight, and indeed the national financial position, has a much worse dimension to it. My constituent's partner, who is the father of one of her children, wants to take up his responsibility as a father, and indeed wants to take on fatherly duties in respect of her other children, but there is a problem: he is working. He works hard for a relatively modest wage that would disqualify him and the mother of his child from housing benefit if he moved in with her. His wage does not allow him to pay £120 a week in rent and to do all that he wants for the children.

My constituent has applied for a council tenancy, which she and her partner could afford together, but she has been told that she is not homeless, notwithstanding the pit that she lives in. As she is not homeless, she has no priority for a council tenancy. This is the housing situation in England in the 21st century. For all that the Government trumpet their anti-poverty strategies and successes—I, for one, want to blow that trumpet as loud as my right hon. Friend the Prime Minister—I find that my trumpet is muted when confronted with a policy that keeps a decent family apart.

It is not coincidental that the rise in such sad situations is matched by the fall in the number of council houses. The case for keeping this greatest asset in good repair, and for beginning to rebuild what has been lost, is overwhelming in human terms and undeniable in financial terms. I have a few more statistics. The cost of transferring 44,500 dwellings in just two years under the stock transfer options was £488 million in central Government grants. It was needed to make up so-called negative values—the overhang, the gap funding, call it what you will. That is £488 million that is now not available to local authorities, although it is available to private concerns or housing associations. What is the big purpose behind all that? It can only be a visceral dislike of local authorities and perhaps their tenants.

Continuing council house sales produced £2 billion in cash in 2003–04, but councils were allowed to keep and spend just over a quarter of that amount. In essence, that is taxpayers' and ratepayers'—remember that term?—historical investment in local housing. Now it is being used for national purposes, and is robbing communities of the means to house those families in their midst in need of a roof over their head. The report of the council housing group makes recommendations that will help a Labour Government to start to win back its former well-deserved reputation as the true friend of the council tenant.

Tony Crosland once described housing finance as a dog's breakfast, and he set about reform. It resulted in a detailed proposal, the housing finance review of 1978–79. Alas, this plan, which would have encouraged both owner-occupation and a rational approach to investment in the council sector, both for revenue and capital, was taken over by the Thatcher Government. The mechanism that we had worked up, known as the housing investment and strategy programme, was rearranged to divert such funding as there was into housing associations and other agents. Councils were left to struggle with ever-growing disrepair of their stock. In 1999 the Government identified disrepair standing at £19 billion, and declared their honourable intention to introduce and fund a decent homes standard. However, by doing a Thatcher and cutting out local authorities from the plan, new Labour has made a fundamental error.

It is not too late to embrace the fourth option, but time is pressing in a deadly manner for the homeless and the badly housed in our constituencies. I urge the Government to accept the advice of the Audit Commission to review its housing finance policy in

much the way that Crosland did and, above all, to pay attention to the tenants' representatives who have given their support to the fourth option.

Mr. Roger Gale (in the Chair) : Order. Before we proceed, many Members have asked to speak and a number of others who have joined us this morning without writing to Mr. Speaker are already rising. I urge all hon. Members to keep their remarks as brief as possible to enable me to accommodate the maximum number.

The occupants of the Front Benches have indicated that they are prepared to restrict their comments. Accordingly, I propose to start calling them at 10.40 am.

9.46 am

Paul Holmes (Chesterfield) (LD): I congratulate the hon. Member for Wolverhampton, North-East (Mr. Purchase) on securing this important debate, which a number of Members were trying to secure.

May I recommend to the Minister that in his urgent bedtime reading tonight is the report of the Defend Council Housing group—of which I have the pleasure of being the vice-chairman—the Audit Commission report published last week that described the system of funding for council housing as perverse, the Public Accounts Committee report that criticised the inequitable funding system that the Government have introduced and the report of the Select Committee on the Office of the Deputy Prime Minister, which contained the same message.

A few weeks ago at the start of the Session, 45 Bills were introduced into Parliament, not one of which addressed the scandal of this Government's policies on council housing, which starve councils of the money and ability to build new social housing, rob councils of their tenants' rental income and try to force tenants into a shotgun divorce by saying, "You can exercise the right to choose to stay with the council as your landlord, but over the years that will mean that your houses and estates will decline as the Government withhold finance."

I shall use the borough council in my constituency as an example, but this example could be repeated in scores of councils throughout the country: in Birmingham, Camden, Southwark, North-East Derbyshire, Cambridge and Bolsover, and many other areas. The details will differ slightly, but the principles are exactly the same. A quarter of the houses in my constituency are still council houses—that is 10,000 houses, and would be 20,000 but for the right-to-buy policies over the past 15 years or so. It is therefore a major issue for almost one in four of my constituents. As council housing stock falls every year due to the right to buy, so the waiting list for family houses increases. Can the council build new family houses? Effectively, no. As the population ages so the waiting list for old age pensioners' bungalows increases, but can the council do anything to meet that demand? Effectively, no, because of Government policies.

Instead, the council in Chesterfield, like all other councils in the country, is required by Government diktat to have by the end of next month—July 2005—employed independent consultants to analyse the housing stock and the finances and to consult and survey tenant opinion prior to a possible stock transfer ballot. The cost of that process so far in Chesterfield is approaching £250,000 in payments to the independent consultants and the time of the staff in the council housing department. If the process went through to a full ballot by spring next year, the cost would be about £500,000, which is money that could far more effectively be invested in the council housing stock.

At the end of that process a choice may be offered to council tenants—a Hobson's choice—with them being told, "You can switch to a housing association or a private finance initiative landlord and there will be no financial problems in terms of improving and maintaining your houses and estates into the future. Now, there will be drawbacks. You will have less secure tenancies and you may have a remote landlord, because many of the housing associations that start off as very local are taking part in a wave of mergers across the country and becoming large national organisations. So your local housing association office might end up being somewhere else in the country." I know from housing associations in Chesterfield that some are very good and very local, but some are not very good, distant and hard to get hold of.

One difference with a housing association is that when a transfer has been made it cannot be changed. The housing association cannot be voted out for a new landlord.

Kelvin Hopkins: Has the hon. Gentleman had the same experience as I have with housing associations in that many of their tenants tell me to tell council tenants not to vote for stock transfer, whatever they do?

Paul Holmes: That is not the experience in Chesterfield because we have not gone through that process yet, but when going around the country and talking to people, including housing association tenants, I have certainly heard that from people who have undergone the transfer process.

With this Government, tenants have the alternative choice of staying with the council, but they see the money run out over five, 10 or 15 years, and the quality of their houses, estates and management declines. A particular problem in Chesterfield is that a decent minimum housing standard can be achieved quite easily by 2010 because Chesterfield's standard is well above the Government's minimum. The problem will be retention because over the years our tenants will see a decline from the present high standards down to minimum levels due to the funding regime imposed by the Government.

Why should that happen and why can the council not provide the same level of repairs, modernisation and estate management as a housing association or private landlord? Is it because they are less well run? That is certainly not true in Chesterfield, although it may have been to 2002, when the housing department received a bad report from Government inspectors, but in May 2003 council tenants changed their landlord—they could not have done that if they had switched to a housing association or private finance initiative manager—when they elected a Liberal Democrat council and there were considerable changes. I am not making a party political point because other hon. Members will say the same in reverse based on their experience in other parts of the country.

[Paul Holmes]

The point is that tenants can change their management if their housing is run by the council. Satisfaction ratings of 58 per cent. back in 2002 are now 84 per cent. Repairs that took an average of six weeks to be carried out now take an average of four days. Appointments for repairs have been introduced, but none existed before. Re-let times have fallen from 45 days to 29 days. The number of voids are down and the level of rent collection has risen. There has been a range of increases using the same management and housing department staff as before. There was no need to bring in outside contractors and consultants, PFI, private expertise or housing associations. The new management on the council simply allowed the housing department staff to get on with their job. Management expertise exists and privatisation is not necessary to achieve it.

Is the reason financial? Many examples have been documented in the Public Accounts Committee's reports and the Defend Council Housing campaign's report that came out last week. There are many examples of debt write-off and so on. I shall give two small and simple examples.

In Chesterfield every year the Government claw back about 14 per cent. of the rent that council tenants pay in Chesterfield. That money is paid by Chesterfield council tenants to the council housing department and taken by the Government to spend elsewhere. During the past financial year that amounted to £3.2 million from an income of £22 million. If Chesterfield council were allowed to keep just half of that £3 million to £4 million that is taken away every year, it would have no problems whatever for the next 30 years in maintaining a high standard of council housing. However, because the money is taken away, over the next five, 10 or 15 years it will struggle and have to impose charges simply to raise £500,000 just to keep afloat on an even keel.

The same applies to the right to buy. Every year, money comes in from the right to buy. Last year, Chesterfield received £8 million, of which £6 million was taken by the Government to spend elsewhere. Only £2 million was retained in Chesterfield to reinvest in council property. Again, if just half of the money that was taken away was left with Chesterfield, it would make all the difference not only in maintaining the existing stock, but to building new housing, particularly old folks' bungalows.

Why do the Government pursue these policies? I asked that question at Prime Minister's questions on 8 December last year, but was simply told that we should celebrate choice. I do celebrate choice and if council tenants choose to leave the council, that is their choice and is fine. I would respect and support that because I have seen enough badly run council estates throughout the country. I grew up in a council flat.

John Hemming (Birmingham, Yardley) (LD): Does my hon. Friend agree that the present housing crisis is predicted to become worse in terms of low-cost social housing for rent? The evidence is that the Government's policy is driven by them wanting to abdicate responsibility for housing.

Paul Holmes: I have much sympathy with that point of view. If I were to go off at a tangent, I could mention various other areas of Government policy—such as trying to help young couples to get on to the housing ladder through the private sector and a number of Government initiatives.

On the right to buy, I remember that when I was first elected as a councillor in Chesterfield in 1987, Labour councillors bitterly complained about that policy, which a Conservative Government had introduced. I said to them, "But surely if your party had introduced that policy, you would have welcomed it as a great method of socialist redistribution of wealth. The council uses public money to build houses; people rent those houses for a number of years; they then get a discount on buying their houses; and people who otherwise would never have been able to afford to get on to the housing ladder, or who would never have even thought of getting on to it, are able to do so if they so wish." Therefore, in principle, I have no objection to that policy either. The Government are now trying to encourage people in the private sector to get on to the housing ladder, at a time when the housing market is incredibly expensive. Is there a simpler way to address this issue than to allow proper provision of social housing through that tried-and-trusted method of the last century, council housing?

At Prime Minister's questions and through written questions, I have asked why the Government are pursuing this policy when all the reports, all the finances, all the logic and the democratic choice are against it. Time and again we get the answer that we should celebrate choice. Yes, there should be choice. Council tenants should be able to choose to leave council management, but it must be choice on a level playing field rather than the loaded system that the Government currently impose. Given that level playing field, most council tenants would choose not to leave the secure landlord who provides good housing and who they have known for a long time. Even in some areas—Birmingham and Camden, for example—where the council has recommended that the only way forward is for estates to leave the council, tenants have voted in huge numbers not to do so. Therefore, if there were choice on a level playing field, I have no doubt that most council estates would never choose to transfer.

The Government seem to be oblivious to that; I hope that the Minister can reassure us that that is not the case. The Government tell us time and again that no fourth option is being considered. They told us that most recently only a month ago, on 23 May, in answers I received to a series of questions that I had asked. One response was:

"The Office of the Deputy Prime Minister has no plans to change the funding mechanism for councils whose tenants vote for their housing to remain under both council ownership and direct management."

Another answer was:

"The Office of the Deputy Prime Minister has no plans to implement a 'fourth option'."

And yet another answer was:

"There are no current plans to change the housing revenue account subsidy system."—[*Official Report, House of Commons*, 23 May 2005; Vol. 434, c. 33–36.]

It seems that the Government are set on continuing their unfair, divisive and undemocratic policy.

The money is there if people stay with the council, if the Government give them equality. If by next autumn every council tenant had switched to a housing association or a private finance initiative landlord, the money would be made available. If they stay with the council, the money is denied. Therefore, the money is available; it is simply denied to certain tenants who choose what in the Government's eyes is the wrong option.

The necessary management skills are also there, as we have seen in Chesterfield in the past two years. The customer satisfaction is there, too; there is 84 per cent. satisfaction in Chesterfield. Council tenants in Chesterfield will not forgive a Labour Government who refuse to respect their democratic choice and treat them equally with private tenants, and they will never forgive the Labour party locally or nationally if it lets a Labour Government get away with this abuse of democratic choice.

I hope that the Minister will not repeat the platitudes that I have heard in the past year or so about celebrating choice when, in fact, the Government deny that very choice. I hope that the Government will heed the report of the Office of the Deputy Prime Minister Committee, the Public Accounts Committee, the Audit Commission and the Defend Council Housing group report, and rethink their policies.

Mr. Roger Gale (in the Chair): Order. Once again, I urge Members to keep their speeches as brief as possible. If Members can curtail their remarks to five minutes in length, I can probably accommodate all Members who are rising. At the current rate of progress, only half the Members rising will be called.

9.59 am

Dr. Brian Iddon (Bolton, South-East) (Lab): Many hon. Members present served on housing committees—I did so for 21 years, with 10 years as chairman of the Bolton housing committee—so there is a lot of experience in the Chamber. It is clear that there are strong feelings about stock transfer. That was shown in a resolution at last year's Labour party conference, which was passed by a large majority and which has not been satisfactorily answered. Those strong feelings have been expressed by the Members who have spoken in this debate, who have a wealth of experience of serving on housing committees. I hope that the Minister takes that into account because, frankly, 90 minutes is not long enough to debate what is one of the most important subjects in the land. We need a full half-day debate on the future of council housing

Bolton council decided to form a unique regeneration arm's length management organisation—much to the reluctance of the tenants, I have to say. In 1988, the Conservatives brought in large-scale voluntary transfer after their right-to-buy policies were not as successful as they thought they should have been.

In 1986, I took over the chairmanship of the housing committee and one of my first duties was to hold public meetings across Bolton to find out what the tenants wanted. I had 13 public meetings and all the halls around Bolton were packed. There was standing room only. People were even outside the door, unable to get into the hall, but straining to hear the debate between me and the Tory opposition spokesperson on large-scale voluntary transfer. The message from Bolton tenants was loud and clear: they did not want to transfer the stock according to the Tory plan of the day. In the end, they transferred to an ALMO, but with great reluctance.

I dedicated 10 years of my life to such things, along with my council colleagues and council officers. We made some excellent appointments; four of the appointees went on to chair leading housing departments in the rest of the country. Within a decade, we had turned around a department that had not been treating its customers well and whose housing direct labour organisation had been in danger of closing. Many were closing at that time; neighbouring Salford lost its HDLO. Within a decade, we had made Bolton's housing department one of the best in the land, and it remained so until the formation of the ALMO.

My first question to the Minister is why there is the same pressure on well performing housing departments to transfer their stock, when, frankly, that is not necessary. Of course, the preferred choice of the day is the ALMO. However, I cannot see any advantage in setting up an ALMO, especially if a housing department is performing well. Why do I think that? The stock stays in the ownership of the council and the financial transactions remain on the Treasury books. Where is the advantage? The Government say that the separation of strategic housing policy from the day-to-day maintenance and management of housing stock is an essential feature of Government policy. Why?

Successive reports have shown that that is not necessary and does not result in greater satisfaction for the tenants of the transferred stock. I ask the Minister to put on record why the Government are forcing councils to transfer their stock, even in the direction of an ALMO.

I now raise a matter of great concern among Members of Parliament. A review of ALMOs has been taking place. The report is about to come out—I hope that it will come out next month. Perhaps the Minister will tell us when that review of ALMO finances is due. We are getting whispers that the ALMOs may transfer completely out of council ownership; two models are being proposed. The tenants, certainly those in Bolton, have never voted even for the formation of an ALMO—they were merely consulted through tenants' groups, many of which do not represent the whole view of the tenants living in the council houses.

To my knowledge, there has been no democratic vote anywhere even for a transfer to an ALMO. If those whispers are true—I ask the Minister to confirm whether they are—and the ALMOs are now to be transferred out of council ownership, will he promise the House that all the tenants in ALMOs at the moment will be given a democratic choice about whether to transfer further? Many of us have argued on various platforms for a long time that the formation of ALMOs is only half of a longer journey. We believe that that longer journey is large-scale voluntary transfer, and many of us are against that.

I shall now pay some attention to how large-scale voluntary transfer votes are carried out. When we were taking evidence for the report that we are debating, we heard some astonishing stories. For example, on the Clapham Park estate in Lambeth, the Electoral Reform

[Dr. Brian Iddon]

Society—yes, the Electoral Reform Society, of all organisations—carted a ballot box around door-to-door asking tenants whether they had voted. It had spare ballot papers. If the tenants had not voted, the society produced a ballot paper on the doorstep. That is the sort of vote for large-scale voluntary transfer that is being carried out.

The harassment that is going on is unacceptable in any democracy. At the meeting we held two weeks ago, when the report was launched, four Sefton council workers reported to us that they had been suspended—they are probably still under suspension—for standing outside the transfer shop in the shopping precinct where James Bulger was tragically abducted to tell people why Unison, their union, is and was objecting to stock transfer in Sefton borough. They were suspended for doing that in their own time and supporting Unison policy.

Those are only two examples of the things that are going on.

John Hemming: Will the hon. Gentleman give way?

Dr. Iddon: Because of the time, I shall not take any interventions.

We want to know whether the Minister is aware of the harassment that has been going on in the large-scale voluntary transfer debates and votes. If he is aware of it, what are the Government doing to protect people from harassment?

That harassment may be done by chief officers of the council. Chief officers who transfer to an arm's length management organisation or to a large-scale voluntary transfer organisation, or who take the private finance initiative route get a great promotion. What is the attraction? It is that, when the chief officers transfer, their salaries go up.

Those are the people who are advising the tenants. They are the tenants' friends. Tenants trust their senior officers. They have worked with them for years through the tenant organisations. When the chief executive of a housing department says, "Your best option is to transfer", he or she has an ulterior motive. Some of the salaries that former directors of housing are now earning as chief executives of transferred authorities are exceptional. Some housing association and registered social landlord chief executives earn considerably more than what my right hon. Friend the Prime Minister earns—considerably more than £200,000. Many of them are on salaries of more than £100,000.

I shall finish with this point. I represent a party that I have loved all my life and shall continue to love till my dying day, but it hurts me to see that activity going on under a Labour banner.

10.8 am

Bob Russell (Colchester) (LD): I shall be brief. I sympathise with the Minister because I do not think that he has a single friend here. Nobody has yet suggested that they will oppose Labour party policy. They wish to support Labour party policy on housing. I certainly endorse the thrust of the Labour party's council housing policy, which has fluctuated over the years. I recall the days when real Labour rightly condemned the Thatcher Government for what they did with council housing. However, it must be recognised that, no matter how awful the Thatcher Government were, in their first eight years, they built 350,000 council houses. In their first eight years, new Labour has built about 3,000 council houses.

I ask the Minister and his officials to look back at the 90-minute housing debate that I introduced in this Chamber on 11 June 2003, which begins at column 237WH of the *Official Report*. Many of the things that I said then I have said subsequently in the House in questions directly to the Prime Minister, or to the Deputy Prime Minister. Is it not a shame that the Deputy Prime Minister will not come here to explain his housing policies? In 34 years of elected public office as a local councillor and as a Member of Parliament, I have never seen social housing in such a crisis as it is now.

There was a time when families in Colchester could apply to go on the council house waiting list and the question was how many months they would wait. Now, if they are lucky enough to get on the list at all, it is a question of how many years. In a way, debating stock transfer is almost an academic exercise if people cannot even get on the waiting list for a house.

I spoke to a young couple at my most recent advice surgery. The father is in work, the mother is at home and they have three children. His work involves helping with the massive programme of private house building in Colchester. His wage, along with that of about 35 per cent. of households in Colchester with two wage earners, is insufficient for him to buy the cheapest house on the market. He cannot even rent a decent house. He and his family are in a first-floor, two-bedroom maisonette. He said, "All I want, Mr. Russell, is a family house so that my wife can leave the kitchen door open while my three-year-old son plays in the back garden."

We live in the fourth richest economy in the world. In post-war Britain, Labour and Conservative Governments competed to build the most council houses, and it used to grate on Labour that, more often than not, the Conservatives built more council houses in towns, cities and villages. The massive sell-off of council houses by the Conservatives was opposed by Labour in opposition but is actually encouraged under new Labour. I believe that most, if not all, Labour Members were elected on a Labour party policy to promote social justice and equality, but, in my constituency alone, 4,000 children will go to bed tonight in housing that is deemed to be overcrowded by current standards. They are not homeless but they are living in substandard accommodation.

I invite the Minister to take this message seriously, and to take it back to his boss, who should be here to answer why he is not delivering Labour party policy on council housing.

10.13 am

Nia Griffith (Llanelli) (Lab): There is an alternative. Carmarthenshire county council in Wales consulted its tenants on what future they wanted for their housing stock. The response was 90 per cent. in favour of keeping it in-house and keeping the county council as landlord. That was not because the tenant groups are

compliant, as anyone who has been to their meetings will know. They are well aware of the shortcomings of the county and are not afraid to articulate their concerns, but they have seen good and bad in local housing associations. They have realised that prioritisation is not the panacea that it was once made out to be. They know that there is no pot of gold at the end of the rainbow. They prefer democratic accountability and know that they can harass their local councillors if they are unhappy. They know that privatisation could mean an absent landlord who absolutely does not care what happens to tenants.

Is Carmarthenshire county council an extremist council that can manipulate its voters and tenant groups? Certainly not. Its area includes the manufacturing town of Llanelli, the edge of a coalfield and a rural hinterland. The council consists of 30-plus independent councillors in alliance with 20-plus Labour councillors. That moderate alliance, which covers a broad spectrum of political opinion, believes firmly—100 per cent.—in keeping the council housing stock under council control. The political will is there.

Is the council's option an easy one? Certainly not. It has had to draw up a 30-year financial plan that will enable it to borrow the appropriate funds to improve to modern expectations and standards a housing stock of some 9,000 houses. Why is the council doing that? Because an overwhelming 90 per cent. of its tenants favour that option. They consider it a fundamental duty of any community, society or government—local government in this case—to provide homes for everyone, and many of them believe that councils have no right to sell off houses that were built with public money to house those in need in the community. Those houses were built with contributions, whether they were rates, rent or taxes, paid for by our parents and grandparents.

The right to buy—what a brilliant piece of political packaging. It puts the policy on a par with human rights. It makes it sound wrong to change the policy to suit changing times. Let us call it an option to buy or a possible option to buy—an option to buy if certain conditions are met.

Carmarthenshire county council is working on six different methods of tackling the lack of affordable housing. One method is to specify that some types of housing in certain shortage areas cannot be sold. We must have the courage of our convictions, and as circumstances change we should not be afraid to change policy and to remove that possible option to buy. We need to keep our remaining stock in council ownership and under council management.

This, my friends, is moderate country; this is chapel country. "When did we see you homeless, Lord?" The answer will be, "When you sold off council housing to line private pockets."

10.16 am

Mr. Austin Mitchell (Great Grimsby) (Lab): I congratulate my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) on having secured this important debate. I hope that my hon. Friend the Minister represents a new regime in the Office of the Deputy Prime Minister, with new Ministers who will bring sensitivity, concern and intelligence to council housing. Those factors have been conspicuously lacking from the council house regime. The question is whether Ministers have the courage to change a policy that is essentially one of bullying, bribing and bamboozling councils and council tenants into getting rid of their council houses and privatising them.

Councils and tenants are told: "We, the Government, cannot provide the money to do the £19 billion of repairs that is the backlog of Tory disinvestment in council housing." Actually, £19 billion is the sum that the London School of Economics estimates the new identity card scheme will cost central Government. We cannot afford the decent homes standard, which had been improved in the manifesto, and we cannot afford to turn what had become dumping grounds into communities. We have to get the work from the private sector, and to choose between three options, none of which people particularly want. That is from a Government who encourage choice. They will not give the tenants the choice that they want to make, which is to stay with the council.

Our council house policy is essentially, "Choose between these three options, or rot in hell". It is a disgrace to the Labour party, and every dirty trick in the book is being used to pursue that policy. Ballots have been brought forward, and that trick was used in Sedgefield last week. The ballot was brought forward before an opposing pamphlet could be put out, so tenants voted in the first few days without reading the other side of the case. Appalling, is it not? It could be Iraq, but it is Sedgefield.

Council officers are persuading tenants to vote for privatisation, because the policy will enrich the officers. My council house department seems to have taken a year off handling council housing and repairs to persuade tenants, and some officials are saying, "Vote for privatisation, or we will lose our jobs." That is an appalling situation. In the face of that, only three quarters of those who vote are voting for privatisation.

The procedure is expensive and it is a waste of money. On the evidence of the National Audit Office, it costs £435 in propaganda, in legal fees and in consultants for every council house that is got rid of. That could be used for housing. It is £1,300 cheaper for councils to undertake repairs and renovations than for the private sector, because it pays higher interest rates and higher wages at the top. We are spending millions not to sell but to give away council housing in my area. There is no increase in tenant satisfaction, and the policy does not prove acceptable to one quarter of the ballots. Camden and Birmingham are classic examples where only 22 per cent. of council housing has been transferred by that method since 1988. The arm's length management organisations are under review. Many of us saw them as the halfway house to privatisation. Registered social landlords are not proving adequate. Indeed, many of them have had to be placed under supervision by the Housing Corporation, so inadequate is their administrative system. The Treasury is anxious that they should be combined into super-RSLs, larger ones, which will be out of touch with their localities.

The terms have been relaxed, without performance criteria that were necessary up until now. I notice that in north-east Lincolnshire the new social landlord was promised only £6 million of gap funding and has now been awarded £17 million because it does not have to

[Mr. Austin Mitchell]

fulfil any performance criteria. The policy is just not working, and I hope that the Minister takes this message back. It is dividing the Labour party and depriving councils of any real role. What are they going to do—in many cases—if they do not run council houses? The Labour party conference voted against the policy by a majority of eight to one, and all I heard in the Deputy Prime Minister's reply was two words—one of which was "off". It is, frankly, a shambles.

It is time for a change. This policy is alienating the council estates on which the Labour party depends and to which we owe a duty to repair, renovate, rebuild and give the best possible conditions. We are failing in that duty. It is time for a change, and time for courage and independence at the Office of the Deputy Prime Minister. We need to change the policy to offer councils a fourth option: investment in council housing. That is all that they want, and it has been obstinately refused. It will not be substantially more expensive.

We need to stop taking money out of housing revenue accounts. The Government have a degree in looting and pillaging that would do credit to a dictator in a banana republic. Taking money out of housing revenue—*[Interruption.]* The Minister shakes his head in disagreement, but they have already taken £13 billion out of housing revenue accounts to pay for daylight robbery—the housing benefit of other council tenants.

The right-to-buy revenues that were supposed to go back into housing do not always do so. Councils are asked to carry a burden of historic debt. We do not ask people going to hospital to pay the historic debts of the health service, but we ask council house tenants to pay the historic debts of councils. If we consider the average council house rent of £2,650, only £1,770 goes to back to council housing. The rest is extracted by Government. Much of it is redistributed from north to south, which is something that I resent.

All that the Government have to do is stop siphoning money out; allow councils to keep the right-to-buy revenues that amount to £0.5 billion; allow prudent borrowing on a revenue stream, such as management and maintenance or the major repairs allowance; and perhaps, in the most desperate situations, provide some of the money that has been wasted on privatisation endeavours. They should turn what they call their community housing task force—it is actually a front organisation for privatisation; a privatisation hit squad essentially—into a council house improvement task force. That is all we are asking. It is time for a change.

The Audit Commission report last week points in the direction of that change. It says:

> "Both the capital and revenue funding systems are unsustainable. As more councils transfer their stock, there is less income to redistribute and there is an ongoing gap in capital funding, particularly where there are serious housing problems. Additional investment will be necessary in those areas."

It is crunch time and the Government must make a decision. That decision should be to allow those councils and tenants who want to stay with the council to do so and have their housing properly financed and have investment made in it. The Minister will guess from the anger shown today that there is a seething resentment in the country and in the Labour party, which I am delighted the Liberal party share, against what is being done to councils and council tenants. We need a more intelligent regime. It is time for a change; why do the Government not get on with it?

10.24 am

Mr. David Crausby (Bolton, North-East) (Lab): I was first elected a councillor in May 1979, on the same day, incidentally, that Margaret Thatcher became Prime Minister. Her achievement was greater than mine, but she is now consigned to the dustbin of history and I am still in Parliament.

I was surrounded by councillors from all sides of the political divide, who were absolutely committed to the provision of good quality housing accommodation. They were right to be immensely proud of the work that they had done in helping their constituents out of the slums and into decent accommodation. I became a member of the housing committee and we spent much of our time in those early days condemning and clearing terraced properties that were unfit for habitation and replacing them with homes fit for the bringing up of children.

I did not know it at the time, but Margaret Thatcher and 18 years of Conservative Government were about to change matters—and change them very much for the worse. It was thought there was something unsavoury about council houses, and it became fashionable to sell them as quickly as possible and not build any more. I am sad to say that the fashion has not changed very much. The proud record of councils throughout the country that had changed the living conditions of millions of people was rubbished overnight. As Labour people, we were completely committed to council housing in those days and, when I stood for Parliament for the first time in 1987, I campaigned on my council estates on the basis that a vote for a Conservative Government would be a vote to privatise and sell the council houses. What I did not realise at the time was that a future Labour Government would contemplate the same action, albeit in a more sophisticated and devious way.

I believed—and I still believe—that the provision of council housing was one of the concrete foundations on which councils stood, and if they are now to be considered unfit to provide housing, we must ask ourselves what they are fit for. Local authorities have, of course, made mistakes over the years and there has been far too much bureaucracy and too little tenant involvement. They certainly have lessons to learn and there is real room for improvement. However, a democratically elected council is surely the right and proper institution to deliver decent living standards. If we ask tenants to vote for the matter without prejudice in an open and fair ballot, they will vote overwhelmingly for the council to retain the ownership and management of their housing stock, but that cannot happen because that option is not on the ballot paper.

If the Office of the Deputy Prime Minister doubts my argument, we should set out the options, put them to the vote and find out. That is the way in which I was brought up in this great democratic country. If the only choice is death by drowning or death by starvation, we can perhaps understand why council tenants become a little disillusioned with the so-called democratic process.

In any event, the transfer of housing stock is an expensive process—and for what? We will still be left with tenants having only one supplier. Will the Minister

explain why one privatised supplier is more efficient and effective than a public supplier? The Government have tried to justify transfers by arguing that they increase tenant satisfaction and provide a greater choice of landlords for tenants. Well, they should do—should they not?—considering all the money that they receive after transfer. Indeed, tenants should be considerably more satisfied with matters, but the reality is that they are not. They are not any more satisfied than if the available capital had been provided before transfer.

As my hon. Friend the Member for Bolton, South-East (Dr. Iddon) mentioned, the arm's length management organisation option has no legal requirement for the council to test tenant opinion with a vote. Many tenants' organisations have supported ALMOs as an alternative to privatisation. If the Government should renege on that by changing the rules to allow ALMOs to have complete ownership of council houses, it would be nothing short of a disgraceful betrayal. Those who have argued that the introduction of ALMOs was just a first stage in separating the stock from the council would be proven right.

Let us have no more of this nonsense, and let the tenants decide. They will put council housing where it belongs: in the hands of the locally elected council. The very least that they should expect is that the option should be theirs.

10.31 am

Mr. David Drew (Stroud) (Lab/Co-op): I take careful note of your encouragement to be brief, Mr. Gale; I shall be, because I will just make one simple point.

No one has said this, but to be fair to the Government we should congratulate them on the decent homes standard. I shall give the Minister some opportunity to feel that he has a friend in the Chamber. The trouble is that the Government have gone about achieving it in entirely the wrong way.

I shall make a narrow point about the options appraisal process, which in itself has nothing wrong with it because we should examine the condition of our council estates. Those of us who support the fourth option do so because we know that it is what our tenants really want. The saddest thing is when the tenants go through the appraisal process. My tenants decided not to go for stock transfer and that led to a number of interesting repercussions. Tenants should have the knowledge, when they choose their independent tenants advisers, that they are exactly that: that they are independent and that they advise tenants. My contention is that they are anything but. They are part and parcel of the entire wretched process.

Stroud is currently going through the options appraisal again and our current advisers are much better. I want the Government to go back and, if nothing else as a result of this debate, ensure that independent tenants advisers are independent and do give advice. They should not be part and parcel of the process of ensuring that the wretched consultants' reports, which we have all had done, are to be pursued in every letter of the law. I hope that the Minister will accept my friendly advice about what is rotten at the centre of the process. If it were an objective process, tenants would decide who is to advise them. Those of us who have been through this process know that that has not been happening. We need to put that right.

Several hon. Members *rose*—

Mr. Roger Gale (in the Chair): I call David Taylor.

10.33 am

David Taylor (North-West Leicestershire) (Lab/Co-op): Like scores of Members on the Labour Back Benches, I grew up in a council house.

Mr. Dennis Skinner (Bolsover) (Lab): You are doing this on purpose, aren't you?

Mr. Roger Gale (in the Chair): Order.

Mr. Skinner: You are thinking of that row.

Mr. Roger Gale (in the Chair): Order.

Mr. Skinner: You are using your authority to stop me speaking.

Mr. Roger Gale (in the Chair): Order. I am not using my authority to stop anybody speaking.

Mr. Skinner: I have been here since 9.20 am. It is all because of that row that we had last year.

Mr. Roger Gale (in the Chair): Order. I will have to ask the hon. Gentleman to leave in a minute.

Three Members who have been rising have not been called. I have endeavoured to call, and have succeeded in calling, everyone who wrote to Mr. Speaker.

Mr. Skinner: A lot of my hon. Friends know why you have done it.

David Taylor: The private housing market into which our Government seem determined to decant residual council tenants is not generally concerned with providing affordable housing for young families or anyone else. It is critical that our Government—a Labour Government—pull back from the alarming precipice over which we are teetering and below which lies a full blown housing crisis.

I urge the Minister, whom I respect—he has had early successes in his role and has tackled the high hedges crisis on the middle-class estates—to tackle the landlord crisis on council estates. He could stop all housing transfers in progress and abandon future ballots of council tenants, who will be asked to choose between three forms of privatisation, none of which they have asked for.

Tenants in North West Leicestershire district council, the only Labour council in Leicestershire, and one with a good track record as a landlord—accountable, visible, affordable and with a reasonable repairs record—are being coerced down the stock transfer route. My hon. Friend the Member for Bolton, South-East (Dr. Iddon) referred to one or two of the undemocratic processes surrounding the balloting process. He did not get the chance to mention the one-sided material, the tearing down of posters that opposed the privatisation process

[David Taylor]

and the refusal of local authorities and others to book halls for meetings that were to outline to tenants the real implications of what they were about to be asked to do.

It is clear that our Government have had a reasonable track record on affordable housing. However, we shall not meet the laudable decent homes target unless there is a change of policy. The Labour manifesto finished up on the front doorsteps of candidates about 36 hours before polling day. However, I welcome this commitment:

"By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities."

That was a clear and unequivocal commitment, and it does not say, as Ministers have previously said, that improvements are dependent on tenants voting the right way.

Lynne Jones (Birmingham, Selly Oak) (Lab): The only way that the Government have any chance of meeting the decent homes standard without more resources is by demolishing a great deal of houses that are not decent. We now have a crisis, not only because of the condition of homes, but because of homelessness: hundreds of families are now in temporary accommodation.

David Taylor: Last week's report by the House of Commons council housing group was an important document and I am sure that the Minister will return to his eerie on the 14th floor of some Government office block to read it as a matter of urgency, if he has not already done so. The key principles that our group urged on the Government were that there should be a level playing field of finance for council housing, a fair and balanced debate and acceptable safeguards and guarantees for the tenants affected.

There is no sign in our Government's social housing record so far that those principles have underpinned what they are planning to do. As my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) said, my right hon. Friend the Prime Minister said that he wants to listen to people's voices; it is not too late to listen to those voices. In an hour and a half's time, at Prime Minister's questions, I shall ask my right hon. Friend to do just that in relation to option four. I hope that we find that the Minister has listened to us this morning.

10.38 am

Sarah Teather (Brent, East) (LD): I shall keep my remarks brief to ensure that the Minister has the maximum time to respond to the debate. First, I congratulate the hon. Member for Wolverhampton, North-East (Mr. Purchase) on securing this vital debate. The fact that the Chamber is so full and that Members have spoken with so much passion should give the Minister great cause for thought and make him realise the importance and value that is attached to council housing.

The Government are in a right old mess. They have made a pledge that all homes will be brought up to the decent homes standard by 2010. We know that that will cost billions. To deliver it, the Government thought that the best way would be to stock transfer everything that they had to registered social landlords to ensure that the cost of providing those improvements was taken off the Government's balance sheet. To do that, they forced councils to ballot tenants, and because they believe in choice, they gave councils a limited number of choices, as long as they chose exactly what the Government wanted them to do. As all hon. Members have said, those choices involved many bribes and incentives and some dubious electoral means.

It is not surprising that councils found themselves having to encourage tenants to accept the options provided. We can imagine what happens when beleaguered councils that have huge bills for housing repairs, and are constantly and quite rightly being complained at by tenants, are given the choice of making a transfer to somebody else who will provide those repairs or being left unable to promise any improvements. The choice is: "Stay with us and we can do nothing about the state of your home, or take one of the Government-prescribed options and things may improve."

In spite of that, tenants throughout the country have expressed their democratic right and have rejected the options that the Government have provided. So, what will the Minister do? He pledged that the Government will meet the decent homes standard, but the Chancellor has refused to extend borrowing rights to councils in order to borrow through housing finance. Many homes need an enormous amount of money spent to improve things. How will the Government meet the pledge? They cannot.

Endless reports have said that there are much more sensible ways to deal with the issue, through the fourth option. The Audit Commission has said that housing finance needs to be modified. We know that it is cheaper for local governments to borrow than RSLs. The Local Government Association supports the need for a fourth option. Even the Deputy Prime Minister has said that the current situation is unsustainable. So, why will the Government not move on this issue?

The truth, as other hon. Members have said, is that the Government do not trust local government. They do not even trust their own Labour councils to deliver services. That is the problem with this Labour Government. We have had capping, passporting, ring-fencing and now stock transfer. What is there left for local government to do? Why do the Government not just go the whole hog and abolish local government and let central Government interact with a private companies? I will tell the Minister why: if he did that, there would be nobody to blame.

10.42 am

Mr. Robert Syms (Poole) (Con): I congratulate the hon. Member for Wolverhampton, North-East (Mr. Purchase) on securing the debate. The documents that have been produced—the fourth option report and the Audit Commission document—provide a good base for a genuine debate about an important subject. I hope that the usual channels take into account the remarks made earlier by the hon. Member for Bolton, South-East (Dr. Iddon). The Government should consider a debate on this subject on the Floor of the House, with sufficient time for Members to express their concerns.

Over the last century, the expansion of council housing has made a major difference to the material situation of many millions of people. Slum clearance programmes and, in many areas, the replacement of slums with council housing has certainly improved the general health and well-being of many of our citizens. There is much to celebrate about what Governments of all colours did throughout the last century.

I do not disagree with much of what the Government are doing. Most of the attacks have been because people think that the Government are being too right wing on this issue. Clearly, if 12 per cent. of all households in England still live in council housing, for the Government to meet their decent homes target by 2010, this area must be addressed.

If one is asking people to make a choice, however, it is responsible to give them a real choice. If a housing authority is good and the tenants do not wish to transfer or go for an arm's length management organisation, I see no real reason why they should not remain and why there should not be a fourth option. Not many members of the Conservative party put that idea forward, but my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) has made that point forcefully on occasions.

One of the benefits of having a fourth, fifth or sixth option is that it allows us to contrast the various ways in which an important service is delivered. If we read the document produced by the council housing group, we can see that contrasting and comparing housing associations with other social options helps to inform the debate.

It is important that the issue be addressed. Given that there has been major change in the social housing sector, there should be a review of how it is financed. We should not lose sight of the fact that the Government have an ambitious target for decent home standards. If we argue about who runs what and who does what, we lose sight of the fact that decent housing standards for many of our constituents is an objective worth working towards. Therefore, the fourth option should be considered.

Earlier, we heard the hon. Member for Colchester (Bob Russell) talk about respective records and house building. The Government said that the reason why they have not built much council housing is backlog, estimated at £19 billion in 2000. So there is a real task in respect of housing. We all know that in many local authorities there are too many voids. It is not necessarily a matter of building lots more houses; we should use and repair existing housing stock so that we can reduce waiting lists. According to the most recent figures that I saw, about 380,000 people are waiting for affordable housing, and about 61,000 throughout the country are in temporary accommodation. One consequence of the housing boom of the past several years is that many families have real difficulty in accessing affordable housing.

I hope that this important subject will be debated more fully. I am concerned about the allegations made about how even-handed or otherwise the Office of the Deputy Prime Minister's task force is, and about the accusations in respect of how some ballots are undertaken. I do not like it when ballot dates are changed. We are all democrats, and we all have concerns about how rules are observed. I hope that the Minister will take on board some of the genuine concerns about the process. Whatever a political district or borough agrees on, if there is concern about a process, it will, in the long term, lead to much hassle, argument and concern. I hope that the Minister will consider the matter. Perhaps the Electoral Commission might be a legitimate group to lay down a few more rules about the most legitimate way for the ballot to go ahead, so that people think that it is free and fair.

To give the Minister time to answer the strong points that have been made by hon. Members this morning, I shall bring my remarks to an end.

10.48 am

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Jim Fitzpatrick): I begin by congratulating my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) on securing this important debate on council housing and the fourth option. I congratulate him also on the eloquent and passionate way in which he introduced it. That tone has been carried all the way through it.

I assure hon. Members on both sides of the Chamber—they may represent different parties, but they are clearly on one side of the arguments—that I acknowledge the strength of feeling demonstrated both in this morning's contributions and in the number of Members present. In response to several requests, I will ensure that that feeling is communicated to my right hon. Friend the Deputy Prime Minister and to my colleagues at the Office of the Deputy Prime Minister.

Members will not be surprised to hear that my text, which was prepared beforehand and which responds to many of the points raised, does not announce any change of policy. However, I will put on record the Government's responses to some of the comments made.

First, I shall answer one or two questions asked by colleagues at the beginning of the debate. My hon. Friend asked about the disrepair in the private rented sector as a separate issue. We have set a target to increase the proportion of vulnerable householders living in decent homes in the private sector, and that percentage has increased from 57 per cent. in 2001 to 63 per cent. in 2003. The Housing Act 2004 included a number of measures to improve the condition of private rented homes. I shall give my hon. Friend details on that later.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) asked about the arm's length management organisation review group. I advise him that the proposed consultation paper on the long-term role of ALMOs will be published later in the summer. I do not have a definitive date, but that will be coming forward in due course.

Mr. Skinner: I thank my hon. Friend for allowing me to speak in this debate, because it is pretty clear that Gale has no intention of calling me. This is the second time in this Chamber that he has done the same thing.

My question, among many that I would have raised in my contribution, is that if local authority housing is taken away from the small district councils, like Bolsover district and north-east district councils in Derbyshire, which I represent, those authorities, which

[Mr. Skinner]

do not have transport, social services or education responsibilities, will have very little left to do. Bear that in mind.

Carry the message back to my right hon. Friend the Deputy Prime Minister and tell him, above all, that what is happening here now—the campaign that started on a small basis a few years ago—is something that is growing every month, and that the Government should change their policy.

Thank you very much.

Jim Fitzpatrick: My hon. Friend has made his point and I am sure that it will reach my right hon. Friend the Deputy Prime Minister.

We have, as colleagues know, more than 4 million social homes that are worth around £400 billion, but decades of neglect and underinvestment meant that, as has been said this morning, in 1997 our assessment was that more than 2 million of those homes did not meet basic standards of decency. It was calculated that there was a staggering £19 billion backlog of repairs. To remedy that, the Government undertook a major review of the finance regime and took a number of steps to direct resources where we believed they were most needed. We also massively increased those resources. Past changes to funding systems are of little comfort to tenants in non-decent social housing. We remain committed to ensuring that all social tenants live in decent homes. With work already completed and plans in place, we are already 86 per cent. of the way towards meeting our target.

As hon. Members have said, where a local authority requires additional resources to deliver decent homes, there are three options: arm's length management organisations, transfer and PFI. In my constituency which covers the boroughs of Tower Hamlets and Newham, we have PFIs, transfers and an ALMO.

Mr. David Anderson (Blaydon) (Lab): Will my hon. Friend give way?

Jim Fitzpatrick: If I have time at the end, I will return to my hon. Friend.

The House of Commons council housing group insists that the options are all about privatisation, and it will not be surprised to hear that we do not accept that definition. Councils that opt for PFI and ALMO still retain ownership of their stock and the transfer of the stock goes to a housing association—a not-for-profit organisation—that puts surpluses back into social housing.

Since 1997, 108 local authorities have transferred homes, making available £6.5 billion in direct capital investment to improve stock. Some 10 PFI schemes are fully signed off, with a further 14 in procurement. Both transfer and PFI schemes are enabling major regeneration of neighbourhoods far beyond the boundaries of just decent homes.

Determining the best option for the future of a council's housing stock is identified through the options appraisal process, as has already been mentioned. The majority of local authorities that were required to undertake an option appraisal have achieved sign-off or have submitted their appraisal for sign off. Our deadline for the completion of that process remains the end of July and no extensions have been granted.

The Government have always placed great emphasis on tenants being at the heart of the decent homes programme, which cannot be delivered without them. We recognise that it is fundamental to tenants' rights that they can access impartial information without bias towards one option or another, which is why we encourage councils to use an independent tenant adviser to ensure that tenants have a clear picture of the process and what each option could deliver. Without clear evidence of tenant involvement, an option appraisal will not achieve sign-off from the Government office.

Joan Walley: Will my hon. Friend give way?

Jim Fitzpatrick: I will come back to colleagues if I can get through the majority of my text.

Tenant engagement does not stop once a decision has been made. In fact, tenants comprise about one third of the governing boards of transfer housing associations and ALMOs, broadening tenant participation to an estate and neighbourhood level. Tenants are also central to the PFI process and are consulted through the lifetime of the contract, having input into the choice of contracts or being asked what works they would like to see carried out and to what standard.

Increasingly, we are seeing the development of a number of innovative, community-led stock transfers that would not have been possible without the options appraisal process giving tenants a voice and an opportunity.

Tenants want to be involved and are involved. Since 1997, there have been 161 positive transfer ballots, with an average turnout of 72 per cent. and an average vote in favour of 73 per cent. ALMO ballots have had an average vote in favour of 84 per cent. Tenant participation has led to tenant satisfaction. Analysis done by HouseMark showed that the overall ALMO tenant satisfaction rate remains high—at 75 per cent.—while Kirklees ALMO reports that, under the ALMO's management, tenant satisfaction has increased steadily and is now 93 per cent.

As for RSLs, beyond a new name and culture, tenants enjoy better services and have greater satisfaction with their transfer landlord. The feedback database of tenant opinion showed for 2004 that 84 per cent. of transfer tenants surveyed were satisfied with their landlord, 88 per cent. were satisfied with their accommodation and 84 per cent. thought that their rent was good value for money.

That brings us to the fourth option. It is one that would allow local authorities who manage their own stock access to direct additional investment. As I know, the position of the all-party group that deals with council housing is that councils could meet the target through retention if we let them retain surplus rental income and capital receipts. However, the surpluses made by some local authorities are used to offset deficits in others. Surpluses rarely, if ever, occur where the need to spend is greatest. Allowing the authorities that make surpluses to retain those surpluses would, because total

funding levels have been agreed, mean reduced subsidies—and, therefore, higher rents—for authorities with a deficit.

The pooling rates for capital receipts strike a sensible balance between local and national needs. We are under an obligation to ensure that, where we provide extra resources, we also drive up performance, allow tenants to have a say on how the extra resources should be spent and secure value for money.

Bob Russell: Will the Minister give way?

Mr. Roger Gale (in the Chair): Order. The Minister has made it plain that he is not going to give way.

Jim Fitzpatrick: We believe that our decent homes programme is the best way forward. It provides three innovative and flexible ways to support local authorities that need additional funding to ensure that their stock meets the decent homes standard.

Mr. David Anderson: It seems to me that the debate is more about democracy than about housing. What message should I take back to the 400 members of the GMB, Unison and Amicus who work for the repairs and maintenance department of Gateshead borough council? On Monday morning, they were told that their jobs will be privatised or they will have to go on the dole. They have no choice. Also, what message do I give to the councillors in Gateshead who were told that they have no vote on the matter?

Jim Fitzpatrick: I cannot say what the message should be because I am not familiar with what is happening in Gateshead and with the details of negotiations between trade unions and the local authority. I will look into the matter and write to my hon. Friend to let him know what my opinion is after I have had a chance to study the situation.

Joan Walley: I would like to know whether there is anything in the Minister's text about the fourth option of the level playing field. All we want to see is a fourth option with a level playing field. If the Minister has come prepared for the debate this morning with a text about that option, can he give any comfort to those people who spoke so passionately about how the option could be considered through proper channels?

Jim Fitzpatrick: I thank my hon. Friend for her comment. It takes me back to the point that I made at the start of my comments. I am not in a position to change policy this morning. Nobody would expect that. I have said that I will report the strength of feeling from the debate. I do not say that it will change the mind of my right hon. Friend the Deputy Prime Minister's mind or Government policy, but I will communicate it. I assure her of that. If my text is not satisfactory for colleagues, I apologise, but I must get on record some of the points that the Government want to make in response to comments that were raised.

In conclusion, the timing of the debate could not be better, given the announcement last week made by my hon. Friend the Minister for Housing and Planning of a further 61 transfer PFI and ALMO schemes that will invest more than £3 billion to tackle another 125,000 non-decent homes and to create 1,400 socially rented homes. Since 1997, total housing capital investment has tripled. In 2007–08, £2 billion will be spent on social housing. That is double the level of 1997. As part of the Office of the Deputy Prime Minister's five-year plan, there is a £38 billion investment in sustainable communities. Our policies are bringing in hugely increased housing investment and vastly reducing the number of households living in non-decent homes. They are supported by many local authorities and valued by tenants.

Gravestones

11 am

Dr. Tony Wright (Cannock Chase) (Lab): I am grateful for the opportunity to introduce this short debate on the safety testing of gravestones. This matter is causing great distress and anger to many of my constituents and I understand that there are similar reactions in other parts of the country.

I have been inundated with calls from people who have visited the grave of a loved one only to find that it has been desecrated, not by a group of vandals but by a gang of contractors employed by the local authority. The gravestone may have been dislodged, staked and may have a sticker on it declaring it unsafe and requiring repair. In other areas, I understand that graves are cordoned off and the stones laid flat.

The scene in municipal cemeteries is of mass desecration, which is why it is so profoundly distressing to so many people. I understand that throughout the country gravestones are being tested for safety. That follows concern about injuries and accidents in recent years, including the death of a child, caused by unstable memorials. That has prompted burial authorities, in turn prompted by the Health and Safety Commission, to test gravestones for safety.

I am aware that in recent years attention has been paid to the wider issues concerning cemeteries and burial. The report of the Select Committee on Environment, Transport and Regional Affairs in 2001 drew attention to the lack of resources for cemetery maintenance that was preventing unsafe memorials from being tackled. That report prompted the Government to set up the burial and cemeteries advisory group in December 2001 and with it a memorial safety sub-group. The latter was to produce good practice advice with

"progress to be reported to the Burial and Cemeteries Advisory Group no later than November 2002 when the timetable for the completion of any outstanding work will be agreed."

I understand that the promised good practice advice has still not appeared.

In January 2003, in a parliamentary answer, the relevant Minister said:

"I expect to issue that advice later this year."—[*Official Report*, 27 January 2003; Vol. 398, c. 623W.]

It is now two and a half years later, but there is still no advice. In the meantime, in January 2004, the Home Office published a consultation paper "Burial Law and Policy in the 21st Century: the need for a sensitive and sustainable approach". That identified the deficiencies of existing burial legislation and on the issue of memorial safety said that

"recent experience of measures taken to address the dangers of unstable memorials has indicated that there may be a need to review owner notification arrangements and other aspects of responding to threats to public safety. These issues are currently subject to separate consideration."

That separate consideration is a reference to the advisory group and the closing date for responses to that consultation was 13 July 2004.

We have reports. We have advisory groups. We have sub-groups of advisory groups. We have consultation papers. What we do not have is policy or good practice guidance to inform the activities of burial authorities as they embark upon the safety testing of memorials.

We also have the Health and Safety Commission, whose chairman wrote to all local authority chief executives on 1 June 2004 asking them to take "a personal interest" in the safety of memorials in cemeteries. That letter stated:

"In very many cases the matter is already being well managed and you will quickly be able to confirm to your satisfaction that no additional local action is necessary. However, some recent incidents have re-emphasised that when memorial safety has, for a variety of reasons, not been handled very well the potential for considerable adverse publicity, and indeed public anger, is all too real. This has threatened public confidence in how we and the other relevant bodies manage a sensitive issue."

The letter also urged that there was a need for

"good communication and explanation with members of the public, particularly family members of the person being remembered",

and stated that

"in a very small minority of occasions there has been a perception of communication failure with indiscriminate behaviour by over-zealous authorities."

Faced with a local outcry, my own local authority, Cannock Chase district council, issued a press release on 2 June, which stated:

"The testing is not an individual Council policy, but a Health and Safety Commission decision that all cemeteries across the country should be surveyed and any defective headstones made safe."

In fact, that is not the case.

One of the questions in the frequently asked questions annexe to the HSC chairman's letter of 1 June 2004 is:

"Has HSE published any guidance?"

The answer given is a capitalised, "No." It goes on to refer to information given to Health and Safety Executive inspectors but says:

"This is not guidance to LAs"

—local authorities—

"as BAs"

—burial authorities—

"although it has been mis-interpreted as such."

Indeed, the HSE website states that the circular in question —"management of unstable memorials"—has been removed:

"This circular was originally issued to LAs in 2001 for information of inspectors. It was not intended to be used as guidance to burial authorities but, unfortunately, in a few cases, it has been misinterpreted as such. Understanding and guidance on the management of memorials has since moved on and in order to avoid any further possible confusion the circular was removed from the HSE's website . . . HSE will be issuing revised guidance for inspectors in the near future, but meanwhile, the Home Office Burial and Cemeteries Advisory Group . . . is developing good practice guidelines and LAs may wish to approach them for advice."

So, we come full circle. We have local authorities saying that they are only doing what the HSC has told them to do. We have the HSE saying that it has issued no instructions, and referring people to the Home Office burial and cemeteries advisory group, which has still not produced any good practice guidance. Meanwhile, in all this bureaucratic fog, people are finding the gravestones of their loved ones officially vandalised by contractors armed with their topple testers. They are then being told that they have to pay to have them repaired, even in some cases where they have only recently paid a

considerable sum to have them installed, and without the courtesy of prior direct consultation, or the opportunity to be present when the testing is done. It is scarcely surprising that this makes people distressed and angry.

I have some questions for the Minister about what is happening, which my constituents want answers to. If she is unable to give the answers now, I would be grateful if she could write to me subsequently. Is the way in which the safety testing of gravestones is carried out a proportionate response to the safety problem that has been identified, or are we in a territory inhabited by sledgehammers and nuts? What assurance is there that the 35 kg topple test has not itself contributed to the problem?

If, in the words of the Health and Safety Commission,

"The cause of the toppling of memorials has in the great majority of cases been linked to inadequate cemetery upkeep and maintenance regimes",

why should the responsibility and cost for restoration of gravestones lie with individuals and not with burial authorities? Why has there been no effective British standard for the design and construction of memorials, so that even recently installed memorials have failed the safety test, while many older ones have passed it?

What is the responsibility of stone masons who have erected memorials that have failed the safety test and are now to be paid again to restore them? Why has the Government's burial and cemeteries advisory group still not produced its good practice advice on memorial safety? Why have local authorities taken their own action without official advice on good practice, relying only on the various approaches contained in existing industry guidance?

What is the cost to local authorities of undertaking the safety testing programme? Why have grave owners not been written to personally, as a matter of routine, when testing is to be carried out, and given the opportunity to be present? Why have advice and assistance not been provided as a matter of course to those whose gravestones have been judged to be unsafe?

Will the Minister confirm that a local authority has no powers in law to compel a grave owner to repair a memorial or to force the owner to reimburse the cost to the authority of making it safe, as no such power is contained in the Local Authorities Cemeteries Order 1977? Do local authorities have an obligation to maintain their cemeteries properly? In the event of an injury caused by an unstable headstone, is the council liable, the individual owner, or both?

When are we finally going to get new legislative proposals to deal with the issue of cemetery maintenance and safety? Finally, what avenues for complaint and redress are available to people who believe that their local authority has approached the issue in an over-zealous and insensitive manner? Those are the sort of questions that my constituents want answers to, which I address to the Minister today. It is a sensitive issue and it deserves to be dealt with sensitively. In too many cases, that seems not to be happening, giving rise to great distress and anguish in those who see the graves of their loved ones being violated by public authorities, which seem inattentive to the intense human sensitivities involved.

11.15 am

Mr. Anthony Steen (Totnes) (Con): I am most grateful to the hon. Member for Cannock Chase (Dr. Wright) for his generosity in allowing me a few words, and I thank the Minister as well. Topple-testing sounds more like something from Ken Dodd, my former constituent in Liverpool, Wavertree, than something that has been seriously considered by a public body. I ask whether the Health and Safety Executive has too many officials with too much time on their hands. Otherwise, can one imagine why it is asking local authorities to analyse gravestones? Have the officials nothing better to do?

Bearing in mind that there are more deaths in the home and in the kitchen than on the roads, and that there was one death, sad though it was, when a gravestone collapsed on a young man who was playing with it, surely we as a nation should not be spending hundreds of thousands or millions of pounds without a risk assessment. That would determine whether we should be spending the amount of time that we are currently spending on gravestones and their stability.

In Torbay, which is part of my constituency, the Liberal Democrat council has already spent £20,000 on checking the stability of tombstones, and it has actually stuck warning signs, rather like parking tickets, on the stones. With those stickers everywhere, the graveyard looks more like a main street with cars on it. It is an absurd misuse of public moneys. Never mind the tombstones, the Torbay unitary authority needs its head examined as to the priority it is giving to that issue. There are 70 miles of unsafe cliffs along south Devon. Are the Government going to suggest that the Health and Safety Executive tests every stone to see whether they are unsafe? The risk assessment has totally failed to keep the problem in perspective.

I ask the Minister to put the matter in proportion. Many activities are dangerous. Crossing the road is dangerous. Do we need Health and Safety Executive officials to help us to cross the road? We are in an absurd situation. The hon. Gentleman made a formidable speech, and many other Members are appalled at the amount of public money that is spent on what appears to be trivia. What are the people supposed to do? Are the dead supposed to rise out of the ground and put the tombstones in a safer position? Many of the tombstones are hundreds of years old, but some houses that are hundreds of years old are unsafe. We are becoming an absurd nation, and when we have a topple-testing measurement, the Health and Safety Executive is perpetuating nonsense.

I thank the hon. Gentleman for giving me the opportunity to draw attention to that absurd situation. I hope that the Minister realises that many Members feel that it should be dealt with much more practically, and without so much public money being spent on such a trivial issue.

11.18 am

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I congratulate my hon. Friend the Member for Cannock Chase (Dr. Wright) on securing the debate, and I thank the hon. Member for Totnes (Mr. Steen) for contributing to it. Although my hon. Friend asked 12 questions, I shall not

[Mrs. Anne McGuire]

answer them one through to 12. He may even have asked 13—I think that was slightly over-zealous. However, I hope that I shall be able to deal with most of the points that he made. If there are any with which I cannot deal in the short period that I have left, I shall confirm the position in writing to him.

I appreciate the comments from the hon. Member for Totnes that it almost seems bizarre that cemeteries can be a safety hazard. However, gravestones and memorials can become unstable over time. The issue is not always just about how long a gravestone has been in the ground. It can relate to the type of soil it is in. I am not sure what the soil is like in Totnes, but I know of some areas with sandy soil, where care must be taken in erecting tombstones and memorials. Gravestones may fall, but not always because of age. Even simple things such as mourners leaning on a gravestone when paying their respects can lead to instability and the monument falling on them at the graveside. Perhaps the hon. Gentleman does not need a helping hand up from a graveside, but some of us do.

I do not want to underestimate the impact of the injuries. They are small in number, but there have been 21 serious injuries, including three deaths, during the past six years. Obviously, it is necessary to deal with the issue, but I agree with the hon. Gentleman and my hon. Friend the Member for Cannock Chase that the risk must be managed sensibly. I believe that in the majority of cases that is what happens. I shall come on to the specific matters that my hon. Friend raised and the way in which his council dealt with them.

I share my hon. Friend's concern about the minority of instances in which an inflexible and insensitive approach means that little or no attempt has been made to consult the bereaved, or in which a blanket approach has been taken and all headstones have been laid down as a precautionary measure. Just to allay some of the fears that he and the hon. Gentleman raised, councils have been taken to the ombudsman in some instances. Indeed, there was an ombudsman's decision against Bromsgrove district council, which not only appeared to be over-zealous but did not take measures to consult people before it laid gravestones down on the ground.

All the indicators point to improvements in the situation since the intervention of the Health and Safety Commission and the Home Office, among others. For the past few years, there has been a greater understanding among burial authorities of the need for a balanced and sensitive approach.

We should not be complacent, as any over-reaction has the potential to cause great distress, but I recognise that it is often far from easy for burial authorities to deal with the issue. On the one hand, they must consider the feelings of the bereaved, who want the graves of their loved ones to be treated with dignity and respect. On the other hand, if someone is injured or even killed, there is an outcry—perhaps the mirror image of the outcry that my hon. Friend highlighted. Therefore, it is necessary to strike a sensible balance.

My hon. Friend highlighted ownership, which makes the management of risk even more complicated for the authorities involved. Responsibility for the maintenance of a memorial lies primarily with theowner who erected it, but many owners and descendants do not appreciate the problem, or even the fact of their responsibility. They may no longer visit the grave regularly. In that instance, the burial authorities are most likely to become aware of a possible danger, and it is incumbent on them to assess the memorial and to take action if it appears to present an imminent risk.

For the record, let me explain what the British standard test procedure involves. It is not about moving around a graveyard with strain gauges, trying to knock down gravestones. In a nutshell, under the British standard test procedure, there should be a visual inspection of the memorial followed by a hand test to determine its stability. If it wobbles, immediate steps must be taken to make it safe. If it does not wobble, a mechanical device called a strain gauge is applied to determine whether the memorial can withstand 35 kg of pressure. If it cannot, the gravestone owner is notified that they need to make it safe. The procedure should be that the gravestone owner is advised. It is not a case of wandering around graveyards vandalising or desecrating memorial stones with hammers, as my hon. Friend suggested.

Ideally, the owner of the memorial will always be consulted before any action is taken, but it may not always be possible to contact the memorial owners readily, particularly in relation to older graves. If that is the case, a reasonable first step might be for the burial authority to keep their employees and the public away from the dangerous memorials.

That might be followed by an appropriate procedure to give owners notice both of the problem and the action the authority intends to take if the owners do not come forward. I know of burial authorities across the country that have used all methods possible to try to contact the owners of memorial stones. I believe that consultation is vital, and only after it has been undertaken might it be proper to take corrective action.

My hon. Friend referred to a letter sent out by the Health and Safety Commission in June 2004. The issue had by then been around for some years. Guidance on memorial management and appropriate safety standards has been published over the years by relevant professional and representative bodies, including the Institute of Cemetery and Crematorium Management, the Association of Burial Authorities and the National Association of Memorial Masons. The guidance recommends regular inspections of headstones and practical measures to make dangerous memorials safe. Laying memorials down is not the only option, as I indicated. Memorials may also be supported, cordoned off, or repaired.

By 2004, there had been instances of blanket approaches to tackling the risk and poor communication with the bereaved. The Health and Safety Commission was concerned that in a minority of instances an overly risk-averse approach was being applied, and I concur with my hon. Friend on the point. The Health and Safety Commission therefore decided to intervene. It wrote to all local authority chief executives and urged them to ensure that a proportionate approach was taken. The letter noted that in most cases the issue was handled sensitively, but raised concern that

"in a very small minority of occasions there has been a perception of communication failure with indiscriminate behaviour by over-zealous authorities."

My hon. Friend read that extract out. There was also a question and answer brief covering the kind of issues that he raised. I hope that both he and the hon. Gentleman appreciate that the Health and Safety Commission's intervention was not the cause of the problem, but rather a step along the way to promoting a sense of balance.

I reassure my hon. Friend that other actions are in train. At present, as he indicated, there is no single source of guidance on memorial safety. The Home Office, as the Department then responsible for burial law, invited the various professional, technical and representative bodies in the burial industry to discuss and to make recommendations for an agreed code of practice. Much work has been done and much progress made.

I appreciate my hon. Friend's comments about the length of time that that has taken, but the diversity of the industry has made it difficult to reach universal agreement on the way forward. We have to deal with an enormous range of authorities, from large local authorities to small churches. Moving towards consensus has been very difficult and that is a matter of regret.

Responsibility for burial law recently transferred from the Home Office to the Department for Constitutional Affairs, which I understand is considering what guidance may now be given to local authorities and others on these issues, including the need to consult families where preventive action seems necessary. I hope that it will be able to clarify for gravestone owners their responsibilities and make provisions for addressing maintenance costs should they arise; my hon. Friend raised the apparent legal limbo between the gravestone owners and the burial authorities as a specific issue.

I said that I would highlight issues relating to Cannock and I do not want to finish without doing so. I know that my hon. Friend has received many representations on the matter. I highlight the fact that at least two people from Cannock said in the *Cannock Chase Post* that they consulted the local authority and that the bereavement service of the local authority was very supportive. It offered direct contact numbers of the organisation that was recruited to complete the difficult task at the cemetery. The two women asked people to seek more information and help, because the help is there for Cannock Chase.

I do not underestimate the difficulties and the sensitivity of the issues. I hope that I have addressed most of them. If I have not, I will write to my hon. Friend. Perhaps he would allow the hon. Gentleman to see the reply.

11.30 am

Sitting suspended until half-past Two o'clock.

Fallen Livestock

2.30 pm

Hywel Williams (Caernarfon) (PC): I welcome the opportunity to discuss the fallen livestock scheme introduced this year, given the experiences that I had in my constituency during lambing earlier this year. Sheep carcases that had been unburied for many days were being collected in odd corners of farms. Desperate farmers were waiting for the collector to arrive. Farmers who let converted farm buildings for holidays purposes, as they were advised to do, had to cope with badly decomposing carcasses being collected as they were waiting for holidaymakers to arrive.

Farmers throughout my constituency told me about collectors being unwilling or at least unhappy to collect carcasses because they were so badly decomposed. That was the experience of farmers throughout north-west Wales. Other hon. Members might recount such experiences from elsewhere in the United Kingdom. The new European Union regulations have effectively banned the previously acceptable practice of on-farm burial. There might have been problems in other parts of the UK, as I said, but they are acute in Gwynedd in north-west Wales.

My main worry concerns the problems that have arisen from the implementation of the scheme for the farming community in my country. My Caernarfon constituency is rural and has traditional family farms. They are the backbone of the rural community and provide a living for farming families, and employment for rural trades and industries. In Caernarfon, rural life is the backbone of the Welsh language and our culture. It is highly significant not only in local, but in national terms. Family farms in my constituency are concerned mainly with livestock rearing and sheep and cattle farming. There is little arable farming, as a result of which the impact of the regulations has been particularly marked throughout the livestock sector.

Historically, the livestock sector in Wales has been under great pressure. The number of holdings has reduced over a long time. We have not been immune to the amalgamations that have occurred elsewhere, with the consequent problem for young people who are trying to enter the industry with fewer holdings being available for them. Indeed, the figures that were published on 22 June by the National Assembly for Wales show that, between 1994 and 2004, there was a marked decrease, perhaps not in the number of active farmers, but in the number of holdings. Dairy holdings were down by 1,705 throughout Wales and beef holdings were down by 913. Sheep holdings declined by 1,843.

Indeed, over the past 10 years, holdings with sheep have decreased from more than 17,000 to just more than 15,000. That has put an historic pressure on the livestock industry in my constituency, which has been compounded by the effects of bovine spongiform encephalopathy, foot and mouth and the long-term effects of scrapie. Given that, the new problems associated with fallen stock are particularly burdensome.

The Minister might say that the scheme is working well elsewhere and is bedding in. However, the Farmers Union of Wales, the National Farmers Union Cymru

[Hywel Williams]

and many individuals farmers have said there are severe problems. NFU Cymru told me that, during the lambing period, its office received many complaints every day, and the numbers were in double figures. It arranged regular meetings with the National Fallen Stock Company's director for Wales to good effect; I am happy to recognise that. NFU Cymru put its complaints directly to the company.

Only this morning, I had a positive meeting with Mr. Michael Seals of the National Fallen Stock Company, who assured me that, in general, progress is being made. I am happy to accept that. He told me that so far there have been 120,000 successful collections. That is fine, but there have been problems, and it is significant that half the 600 complaints that have been received in the UK come from my part of Wales.

Mr. Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman agree that the problems that the National Fallen Stock Company says it is overcoming are of the Government's own making? We on the Isle of Wight are fortunate to have negotiated a derogation from the provisions of the EU directive, something common to many parts of the EU. Does he think that the directive was necessary in the first place, or does it merely add burdens to farmers' businesses?

Hywel Williams: I can only agree with the hon. Gentleman, and the subject that he raises will be the burden of my remarks later. As for my constituency, I do not think that anyone has ever alleged that problems for animal or human health arose from the previous practice of burying on-farm. That, at least, is the opinion locally, and as far as I can see there has been no proof to the contrary.

Mr. Desmond Swayne (New Forest, West) (Con): As the water table is significantly lower in the United Kingdom than in parts of mainland Europe, is it not the case that there has never been a threat to biosecurity arising from on-farm burial? Given the picture that the hon. Gentleman painted of carcases rotting and awaiting collection, it seems that we now have the worst of all possible worlds, with much less biosecurity and significantly greater costs.

Hywel Williams: Again, I can only agree. We all recall the precautions taken with empty lorries going into farms for collection during the foot and mouth disease crisis, yet now half full or almost full lorries of decaying carcases are being taken from one farm to another. Clearly, there are concerns about biosecurity, but who knows whether they are well founded in every case?

Some 600 complaints were made across the UK, and half of them came from my part of north-west Wales. If the scheme is working so well across the UK—it very well might be—why is it not working so well in my constituency and others in the old county of Gwynedd, where it is clearly not working?

David T.C. Davies (Monmouth) (Con): I welcome the hon. Gentleman's comments. One place where the scheme is working quite well is Monmouthshire, although I appreciate that his constituency has experienced problems. It is working well in Monmouthshire partly because we have two hunts—the Monmouthshire and the Curre and Llangibby—which are doing a great deal to solve many of the problems. Does he agree that the Government's short-sighted attempt to stamp out hunting and to destroy the hunts is having an impact not only on the countryside, but on the ability of organisations to deal with fallen stock?

Hywel Williams: My attitude, and that of my party, to hunting is well known. As it happens, the Eryri hunt operates in my constituency, but it gets its feed from elsewhere, so that is not a particular issue. In some respects, sheep carcases are hardly worth taking away for such purposes. However, I agree with the hon. Gentleman as far as his constituency is concerned, and that was a properly made point.

As I said, there are particular significant features of farming in north-west Wales. It is large-scale sheep farming country. In the past, we have not required the services of fallen stock collectors. Fallen animals were buried on the farm, of course, and as far as I have been able to discover, that has never been a threat to human or animal health.

One farmer in an area called Cwm Pennant, a remote Snowdonia valley, told me recently:

"All our land is on the mountain behind the farm. That's also where we get our water. Don't you think that we have been careful about where we bury stock. Careful for centuries!!"

They have farmed that land for centuries, they have been careful and there was no need to have the scheme there.

The lack of collection has never been a problem before, so was the historic and wholly unreasonable lack of a substantial collection service infrastructure taken into consideration when the Minister thought about the scheme for north-west Wales? We have a structural problem. Was that taken into account before the scheme was introduced? If not, why not?

The demand for the collection of fallen stock in my constituency is also variable: it lasts for about two months in the year, during lambing in the spring when there is a high peak of demand. At other times there is low demand. Evidently, during the high demand peak for those two months the collectors have found problems. That seems to be a classical structural problem rather than the fault of the individual collecting company or the National Fallen Stock Company. That is the nature of the demand: there is a high peak for two months. Was that considered before the regulations were applied? If so, what was the result? If those considerations were not taken into account, why not?

Another feature of the problem is the relatively high cost of the collection of single animals. That has led to some farmers waiting until several animals have died to reduce the relative cost. That is particularly significant because we are talking about sheep farming country.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): My hon. Friend hits on an important point. It is not so much that the individual farmers are waiting until they have several fallen stock, but that they are having to club together with other farmers in the locality until they have a decent load to be taken away. In that regard, as he knows, I represent a neighbouring constituency, in

which farmers wait five weeks with the animals rotting on their farmyards. We are talking about biosecurity, and, heavens above, that is the last thing that anybody wants.

Hywel Williams: Again, I agree with my hon. Friend. I know that the National Fallen Stock Company is aiming to increase the number of collection points for a number of members from the current position, which might alleviate some of the problem, but although I cannot name names, sheep carcases are left on the hills occasionally, because we have an efficient collection service called foxes, which sort the problem out for us.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Would the hon. Gentleman also agree that in terms of biodiversity, having some carrion about the mountains and hills is important for red kites? The reintroduction of that species in Wales, which was down to the last three or four in Great Britain, is a huge success story.

Hywel Williams: That is another telling point.

Any reasonable person putting these factors together would conclude that the Department for Environment, Food and Rural Affairs or the Welsh Assembly Government did not adequately consider the particular features of livestock farming in north-west Wales—in my constituency, that of my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd) and elsewhere—before the scheme was introduced. However, there was and is a way out, which is a temporary or permanent derogation from the regulations for my part of Wales and perhaps elsewhere, and the re-establishing of the previous, entirely safe, practice of on-farm burial. I understand that that course is taken in other European countries in similar circumstances. Has DEFRA considered how other countries have dealt with the problem? Have they adopted such practices in any way?

I understand that a derogation might be possible on the basis of remoteness. Was a derogation sought for north-west Wales and other areas where the introduction of the scheme has been problematic? If a derogation was not sought, why not? We heard that the Isle of Wight has one, as do other parts of the UK. What about north-west Wales and elsewhere? There is a derogation for the highlands and islands of Scotland, the Isles of Scilly and the island of Lundy, with its huge farming industry.

I do not know how familiar the Minister is with north-west Wales, but much of my constituency can only be described as remote—thankfully remote, some might say. The nearest collector is in Wrexham, more than 100 miles away from many parts of my constituency and that of my hon. Friend. Travelling 20 miles along wide, straight roads elsewhere—for example, in the south of England—is a wholly different proposition from carting fallen stock along the narrow, meandering lanes of a thin peninsula for 20 miles. How is remoteness for these purposes defined and are such local considerations given proper attention? Is it "remoteness" as defined by DEFRA or as defined by the European Union and interpreted by DEFRA?

A memorandum from DEFRA of 14 May 2003 seems to implicate both parties when it says:

"'remote areas' will be interpreted as the Scilly Isles and Lundy Island in England and the Highlands and Islands of Scotland. This is because the definition of remote areas in the EU Regulation is 'where the animal population is so small and where facilities are so far away that the arrangements necessary for collection and disposal would be unacceptably onerous compared to local disposal'".

That explains the definition to some extent. Remoteness from collection facilities and a small animal population might be one thing, but it does not cover the circumstances in my constituency, where we have a large animal population but remote collection points.

There is a further question about whether other European countries apply the regulation in such a fashion. Significantly, the hon. Member for Aylesbury (Mr. Lidington) asked the Secretary of State for Environment, Food and Rural Affairs:

"what assessment she has made of the extent to which other EU member states have exempted parts of their countries from the ban on the on-farm burial of fallen stock."

What assessment had she made? Had she had a look? Her answer was revealingly insular. She replied:

"No such assessment has been made. It is for individual Member States to inform the Commission of the areas that they wish to categorise as being remote".—[*Official Report*, 28 March 2003; Vol. 402, c. 458W.]

If DEFRA was not looking to other parts of Europe, what consultation was undertaken with farming interests in north-west Wales? Was there proper consultation, as there was in Scotland? I have a copy of a letter from Pentland house. Its title is "Implementation in Scotland of the EU animal by-products regulation". Did DEFRA carry out a consultation with the Welsh farming unions and other farming interests?

Some would say that, given that there is no way in which farmers can conform to the requirements of the regulation because of how the scheme is set up, they are being driven to break the law. I accept that the regulations are being implemented with a light touch, but that is the quandary into which farmers are being put, through no fault of their own. Some have said that this mess can only create a wholly unwarranted image of Welsh livestock production, given that Wales produces some of the finest red meat in the world and the problem detracts from that.

What will the Minister do to ensure that the great work that Welsh farming interests and their partners —for example, in the Welsh Development Agency— have done for many years is not undermined by the thoughtless and insensitive application of the regulations in north-west Wales?

Several hon. Members *rose*—

Mr. Roger Gale (in the Chair): Order. I intend to call the wind-up speeches at 3.30 pm. A number of hon. Members have said that they wish to take part in the debate. If contributions are curtailed, we should be able to accommodate everybody.

2.49 pm

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Member for Caernarfon (Hywel Williams) on securing the debate. I apologise to my hon. Friend the Minister because I may miss a few minutes of his concluding remarks, as I have to be somewhere else.

Given what the hon. Gentleman said in his introduction, I accept that there are problems with the scheme. I hope that the Minister is now alerted to those and will feel duty-bound at least to play a part in trying to overcome them. I will confine my remarks to my understanding of what is happening. I am grateful to the NFU for its briefing—other hon. Members will also have received a copy—saying that the scheme, which had a difficult birth, is working erratically across the country. That suggests that we need to pay attention to the regions where it is not working.

On the decision to ban on-farm burial, I pride myself on being somewhat sceptical about the European Union, and I would normally rail against any interference from outside. However, on this occasion, I think that the EU has done us a favour because on-farm burial was a problem and it would remain a problem were it to continue. If we are serious about tackling animal disease, we should have done something about it before the ban.

David T.C. Davies: Is it not the case that on-farm burial may well have been a problem in areas of Belgium and the Netherlands, but it certainly was not a problem in the highland sheep farming areas of north Wales, or in many other parts of Wales, where, as the hon. Member for Caernarfon (Hywel Williams) said, it has been going on for centuries? Is it not also the case that the only reason why the ban was brought in across the EU was because there were powerful lobbying interests within the European Commission which did not want farmers in other parts of the EU, including Wales, to achieve a competitive advantage?

Mr. Drew: I do not agree. I take the stance that we do not take animal disease seriously enough. If there is evidence about the consequences of on-farm burial, we should heed it. As we all know, unless people are particularly knowledgeable, materials can get into the streams that pass beneath our wonderful landscape. We are fools to ourselves if we ignore that.

Mr. Llwyd: I know that the hon. Gentleman takes a close interest in rural matters and in agriculture. Surely he appreciates that farmers know the volatile nature of watercourses and what not to do near them. Does he know of any research pointing to evidence that there could be a health risk to humans or animals as a result of on-farm burial away from watercourses?

Mr. Drew: I would just look at our experience during the foot and mouth episode, when we used on-farm burial. With the benefit of hindsight, many of us would say that some of the methods used then were none too clever and will come back to haunt us. However, I agree that there is not enough research. We do not take animal disease seriously enough, and taking it more seriously will involve conducting research. However, it is better to take the preventive route than to look at some of the implications of what would happen if and when we find that the problem is growing. What has happened has happened, and I do not think that anyone will suggest that we should reverse this ban and consider alternative methods.

Mr. Llwyd: What about the derogation?

Mr. Drew: Well, the hon. Gentleman will need to look at the research on that. However, the most suitable way of dealing with the problem is to get fallen stock to the renderer via the current method.

I was involved in some of the early meetings on the current method and I had doubts because some farmers were sceptical about whether the scheme would get up and running, which it took a long time to do. However, the National Fallen Stock Company is now up and running. It is not working well in every region, but where it is working well—I am sure that the Minister will have a view on where that is—we should get behind it, support it, and make sure that it continues to work well.

Mr. Andrew Turner: First, I remind the hon. Gentleman that the on-farm burials that took place so catastrophically at the time of the foot and mouth outbreak were undertaken not by farmers but by DEFRA. Secondly, does he find it surprising—I am sorry to say that I do not—that the Government's reaction to on-farm burials is to adopt the precautionary principle, but their reaction in the case of the measles, mumps and rubella vaccine is to say, "Oh, don't worry. There has been no research," or, "We do not agree with the research and think that the vaccine is okay"? Is not that because the Government are in the pocket of the pharmaceutical industry?

Mr. Drew: The analogy with MMR is bizarre. I have a great deal of time for the hon. Gentleman, but his efforts to draw that simplistic link leave me speechless. I shall pass on quickly, as I cannot see the link.

We must understand that the only way to make the scheme work in those places where it is not working is for farmers, the Government, renderers, knackers yards and so on to work together to make it work. Perhaps hunt kennels would want to play a part. I have never been against that. They have a specific role to play in those parts of the country where they have collected dead stock. Working together should be the first consideration, and it may involve, dare I say it, the Treasury helping DEFRA out. Two tranches of £10 million—a not inconsiderable amount—have been put aside to help make the scheme work, but it must work as a partnership. The state cannot be the only funder. Some of us argued in the early days that the state had to be the substantial funder to get the scheme off the ground and to make it work, but it now must be seen as a genuine partnership.

We must consider carefully the biosecurity issues arising from lorries taking dead stock some distance to renderers plants. I would hope that such movements could be kept as local as possible. There are also problems with setting up a suitably equipped rendering plant. Again, the more local things are, the better. A careful reading of the animal by-products regulations seems to imply that. I urge a light-touch regulatory

approach until the scheme is working properly so that we do not end up with ridiculous prosecutions of people who clearly have not had the means to dispose of animals. It is not that that has not happened. All the different agencies must ensure that the regions in which the scheme is not working properly are given the help that they need.

The lesson to be learned is that it is necessary to put in place the means for complying with a ban before introducing the ban. The European Union is not terribly good at that—it is good at putting forward ideas. Perhaps other parts of the EU that have dealt with the problem experience a degree of schadenfreude when they see that our problems are not being resolved as quickly as we might like. It would be interesting to hear about the pan-European situation. Those of us who are a bit less keen on Europe sometimes genuinely fear that other countries have been less stringent in introducing the ban. It does not help us to treat animal disease more seriously in this country if other parts of Europe do not adhere to the ban and use proper disposal methods. Sadly, because of the trade in animals, it is always possible for disease to spread. I would like the Minister to confirm that we should pay attention to those regions in which the fallen stock disposal scheme is not working properly.

Finally, let us congratulate those who set up the company—where it is working, it deserves commendation—and let us ensure that the resources are applied appropriately.

2.59 pm

Mark Pritchard (The Wrekin) (Con): I congratulate the hon. Member for Caernarfon (Hywel Williams) on securing this most important debate, which is quite fitting, because, as I am sure Members will know, the all-party group on beef and lamb has a meeting today in the Houses of Parliament. I encourage colleagues to go along to it.

Mr. Owen Paterson (North Shropshire) (Con): I am supposed to chair it.

Mark Pritchard: That is excellent.

It is clear that concern about the current scheme is widespread. We have had contributions from Wales and from across England. I was intrigued by the comments of the hon. Member for Stroud (Mr. Drew) about not wanting to scrap the scheme. I hope that he agrees that at the very least it should be completely reviewed. I hope that the Minister will announce today that that will happen, not only as a result of comments made in this place, but because of representations that my constituents have made to his office over a long period and those made by others, including the NFU.

We have heard today that many farmers have had to wait long periods before their stock has been collected. I was going to mention that several farmers in my constituency in Shropshire had to wait about two weeks, so I was horrified to hear that in some areas the wait can be five weeks. I even overheard someone say that it can be up to eight weeks. The issue of biosecurity needs to be addressed when in the best case people wait a week and in the worst they wait up to eight weeks.

Sometimes there is nobody to collect the fallen stock. That particularly relates to intensive livestock farming of poultry and pigs. Farmers in my constituency have to travel out of the constituency and make a round trip of about 40 miles to take their stock to a slaughterhouse. Whether we are talking about somebody coming to collect the stock or about farmers going to another area many miles away and delivering it, there is an ongoing issue of biosecurity. Time is money when it comes to farming, and additional travel costs are involved. The environmental aspect of additional travel for farmers must be considered.

I hope that the Government will consider comments that I have received over the past few days from farmers in my constituency. They do not necessarily represent the view of the Conservative Front-Bench team, but they are views that have been expressed to me. I give that caveat. They are not necessarily my personal views. I hope that the Minister will ponder them and give a response.

The comments relate to the issue of extending derogation or exemptions for other parts of the United Kingdom. My hon. Friends and other Members have touched on that today. Is the situation not discrimination against Shropshire when there is derogation in the highlands and islands of Scotland? For example, a farmer in my constituency farms sheep above 700 ft, which is well above the water table. There may be an argument for the Government at least to consider examining the issue and assessing whether exemptions could be applied above a certain level.

If we could get that far, perhaps we could progress to a wider debate about further exemptions in different counties throughout England. Let us have a debate about what criteria may feed into any exemptions and about what grounds there may be for further derogation in different parts of the United Kingdom.

Farmers are being encouraged, where possible, to have their own incinerators. A local farmer rang me yesterday and told me that he had just purchased his own incinerator, but that it cost £7,000. That was the smallest incinerator he could purchase. I wonder whether the Government would consider tax breaks or grants for farmers who are prepared to take on that responsibility. Should they not be encouraged to increase biosecurity, which, by definition, they do if they incinerate stock on their own land? Should they not be encouraged to help the environment by incinerating stock on their own land? If we agree that they should, the Government should provide an incentive—a carrot.

If farmers were so encouraged by the Government, they could move towards co-operatives, which in Europe—it has been mentioned many times today—is the preferred model of farming in many countries. It is also a model that the Government are trying to encourage, so I hope that the Minister will encourage my constituents who are involved in rural industries to form co-operatives to use incinerators at joint cost. I hope that, with a grant, tax breaks, exemptions or rebates, farmers who are unable to purchase the smallest incinerator at £7,000 could be encouraged to come together. That may not be suitable for farms that are many miles apart, but for neighbouring farms there may be an argument for encouraging such co-operatives.

[Mark Pritchard]

The other issue that has been brought to my attention is that of how incineration is carried out. Many farmers are concerned about fuel costs and the temperatures that DEFRA requires stock to be incinerated at. I hope that there will be a review of those temperatures. If there is a review, I hope that it will be linked to the cost of incineration because, as the Minister knows, the required temperatures are high, which requires more fuel. Double the temperature requires double the cost. Our hard-pressed rural communities and farmers need more, not less, help with additional costs.

I hope that, as a result of this important debate, the Minister will give a commitment to review the fallen stock scheme and an indication that the Government will at least investigate some of the remedial measures that farmers have suggested to me on the telephone and in my mailbag.

3.8 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): I remind hon. Members of my entry in the Register of Members' Interests showing that I am a partner in a livestock farming business and a member of the National Fallen Stock Company.

I congratulate the hon. Member for Caernarfon (Hywel Williams) on securing the debate. The subject is particularly important and, in rural areas, was one of the key issues during the general election campaign. The problems with dead stock collection in north Wales were particularly difficult during at least one period. Although the effectiveness and efficiency of the National Fallen Stock Company have improved, a number of issues should be considered and hon. Members have done that.

I want to get to the heart of the matter because the regulation is a European regulation too far and should be examined. Will the Minister use his office—

David T.C. Davies: I am delighted to hear the hon. Gentleman say that and I fully agree with him. Does he agree that it is high time we stopped the practice of allowing regulations from Europe to be foisted on us by an unelectable and unaccountable elite?

Mr. Williams: I know the hon. Gentleman's view on the matter, but I do not believe that this is the time and place to debate it. I do not have time to address that problem. Nice try, though.

The hon. Member for New Forest, West (Mr. Swayne) said that this was a European practice that had become a European regulation. That is certainly the case. In a number of the countries that were mentioned, it was obviously unacceptable to bury stock on the farm not only because of water levels, hydrology and such issues but because those are heavily populated countries that use intensive livestock practices. It is obviously inappropriate to bury stock on a farm in those circumstances.

Of course, what triggered the issue was the outbreak of BSE. There was concern that the prion that causes spongiform encephalopathies could in some way enter either the human or the animal food chain. Indeed, before the regulation was made on 24 and 25 June 1999, the scientific steering committee produced an opinion on the risks of non-conventional transmissible agents. One of the key sentences to come out of that opinion was:

> "The many scientific unknowns and uncertainties relating to TSEs and their inactivation by processing, justifies to consider that actually, suspected or potentially TSE-infected animals, materials and/or products derived therefrom carry a definite risk".

I think that that sentence is completely without logic. The move from

"many scientific unknowns and uncertainties"

to "carry a definite risk" does not have any logic.

Therefore, as the hon. Member for Isle of Wight (Mr. Turner), who has left the debate, said, the regulation was based on the principle of precaution and not on definite scientific knowledge. As time goes on, our knowledge of the infective agent increases. Our knowledge of how it may get into water courses and how it may go on into the animal or human food chain also increases. It seems that it is time for the Minister to stand up for British farming and farmers for once and say, "We must consider the regulation again to see whether it carries any substance at all." We are in the middle of the national fallen stock scheme, which may or may not work. The question is: should farmers be burdened with the scheme at all?

Mark Williams (Ceredigion) (LD): Notwithstanding what my hon. Friend said about derogation and the need for exemptions, he mentioned the implications for farm incomes. Does he agree that, while the National Fallen Stock Company's 50 per cent. discount is welcome as far as it goes, there is growing concern about what will happen to the £20 million budget once that runs out? Concerns have been articulated by the NFU and others that the full financial burden of the collection scheme will fall on the industry, in which incomes have reached critically low levels.

Mr. Williams: I thank my hon. Friend for making that point. Farming incomes, particularly in livestock and particularly in Wales and other remote regions, are very low. It is sometimes said that farmers do not even make the equivalent of the minimum wage that the Government have set.

Mark Pritchard: Does the hon. Gentleman agree that of greater concern is the existence of a subsidy that is not being passed on to farmers but is benefiting the National Fallen Stock Company and its service providers? That is now of greater concern than the matter raised by the hon. Member for Ceredigion (Mark Williams).

Mr. Williams: Both my hon. Friend the Member for Ceredigion (Mark Williams) and the hon. Member for The Wrekin (Mark Pritchard) make good points. Some time ago, I did some research by tabling questions to DEFRA about what collection companies were charging before the scheme came into practice and what they are charging now. The cost to farmers does not seem hugely different, so we may ask where the money from DEFRA is going.

The Minister has a duty to use his influence to reconsider the regulation on the basis of whether it is necessary, because that is the great feeling developing in

the countryside. Perhaps we could have a licensing system to ensure that the site picked by the farmer was appropriate and was not near any watercourses.

Several points have been made about derogations. According to the information that I received, the derogation did not extend to the Isle of Wight, but I am pleased to hear the hon. Member for Isle of Wight say that it now does.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw) *indicated dissent.*

Mr. Williams: The Minister shakes his head, but the hon. Member for Isle of Wight claimed it for his own constituency, so I would be pleased to get to the bottom of that.

The question of remoteness is one thing to consider, but another is the nature of the agricultural enterprises. Nobody would say that in intensive pig areas and intensive chicken areas on-farm burials should take place where there is little land available, but in areas where extensive agriculture takes place, is it such a problem? Is there a problem at all? The Minister should reconsider the criteria for derogation, and he should add in other factors that have not been taken into account.

3.16 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I congratulate my hon. Friend the Member for Caernarfon (Hywel Williams) on securing this important debate. In so describing the debate, it is noteworthy that the only person who has appeared in the Chamber on behalf of the Labour Back Benches is the hon. Member for Stroud (Mr. Drew). He is knowledgeable about these matters, and it is pleasing to see him here. It shows, however, that the debate may not be a priority in other parts of the House.

We are led to believe that the animal by-products regulation came about not because of a scientific threat, but because of a lack of scientific information about how persistent the prions that cause BSE and scrapie are in the soil. The hon. Gentleman drew the Minister's attention to the fact that the collection system is not working well everywhere. He quite fairly put it that way. I would put it slightly differently. We are a long way down the road now, and the fact that there are remote areas within Wales could have been foreseen.

Whatever definition we use, whether it be the DEFRA definition or the EU definition, common sense determines that there are remote areas in Wales. Much of Wales is designated "less favoured" because it is remote, because the country has highlands and because of the nature of the industry in those areas. I commend an idea to the Minister. He might like to consider the operation of the scheme in all less-favoured areas, starting with north-west Wales, which I have the honour to represent together with my hon. Friend, where the scheme is nothing short of an unmitigated disaster.

On 1 April, the president of the Farmers Union of Wales said:

> "We have examples of farmers who have been waiting up to five weeks for dead animals to be collected, and the situation in huge parts of Wales is untenable."

That is true and quite different from the agreed 48 hours for collection that was promised to the farming community. Anyone could live with that, but it has not happened in large parts of Wales and certainly not, as I have stressed, in north-west Wales.

Mr. Philip Dunne (Ludlow) (Con): I should declare that I have an interest in a farming partnership in my constituency. I echo the hon. Gentleman's comments about collection times in remote rural areas. My constituency borders that of the hon. Member for Brecon and Radnorshire (Mr. Williams). During the election, I stood across the valley looking into his beautiful constituency and discussed with farmers during the lambing period the unacceptable amount of time that it was taking to collect fallen stock, as well as to collect stillborn lambs. The biosecurity risks are far greater as a result of the regulation than they were when burial was permitted.

I draw the Minister's attention to a particular problem that happens in another part of my constituency where intensive poultry production takes place. Poultry carcases decay much faster than those of larger mammals. The process begins after 24 hours and after 48 hours the liquefaction begins. At such a point, it becomes possible for carcases to enter the water course if they are in an appropriate place—

Mr. Roger Gale (in the Chair): Order. I remind all hon. Members that interventions must be brief.

Mr. Llwyd: That was a lengthy but very useful intervention. One of the key problems across the UK is that there is obviously insufficient collection coverage for farmers. They face huge delays and, as I mentioned in my brief intervention, farmers in my constituency wait five weeks despite the fact that they ring people throughout the valley to try to get a decent load—to put it crudely—for the collectors to collect.

My hon. Friend rightly said that it is 100 miles from Wrexham to the west of Wales. The situation is totally unacceptable. One has to consider whether the proper and responsible issue of biosecurity is best served by taking carcases across the whole of north Wales to dispose of them. There have been recent isolated reports of lorries that have not been sufficiently cleaned, or perhaps improperly sealed, allowing the escape of fluids. That is contrary to regulations and, as such, I would imagine it is a matter for prosecution by the proper authorities.

Alternative methods have been referred to, such as farm incineration and so on. Of course these are all to the good but there are cost implications. Tax breaks are an excellent idea, and there is also the matter of biodigesters. The Welsh Assembly Government have investigated biodigesters, and have been trying to make inroads into the idea. Both farming unions have been helping the cause of Welsh farming in that regard and within the past few days the Welsh Assembly reported that the European Commission has found that biodigesters are unacceptable as a disposal method because it is not satisfied that the prions are degraded by the method.

In the light of that concern, the Assembly returned to the Commission, advising that the prions could be emptied out periodically by vacuum tanker and then

[Mr. Llwyd]

incinerated or rendered. The Assembly is now awaiting a formal response from the Commission. I do not speak as a Eurosceptic—I have never been one and I never will be—but I understand that the whole of Italy has been exempted. I may be wrong, and if I am no doubt the Minister will correct me. I am advised that large parts of Italy have exempted themselves from that regulation. Perhaps he will tell us how much of Italy has been exempted.

Despite the fact that there is a subsidy, there is concern about what will happen in the next 24 months. The collection companies are saying that their costs are increasing and the subsidy will be gone in 24 months. That is a worrying fact for farmers in Wales and throughout the UK. The question of peaks and troughs has been mentioned, but attention will have to be paid to the peak periods when exceptional pressure will fall on the collectors by virtue of the very nature of agriculture. I hope that there will be further research to identify where peak collection is necessary and to consider the corollary of those areas where there is weak collection and the disposal infrastructure is not up to the task in hand.

I echo what other hon. Members said: we should call for a derogation. I have heard the arguments from the hon. Member for Brecon and Radnorshire (Mr. Williams), who is very knowledgeable about the subject. At the end of the day, there may well be no scientific basis for the ban and that may be revealed. However, knowing the European Commission as I do, that will not happen tomorrow, the day after or perhaps even during the next decade. I stress that I am not a Eurosceptic, but I am something of a realist—perhaps I am a Eurorealist.

On the question of permitting burial in remote areas in Wales, I stress that, as has been mentioned, the farming community is intelligent. Well before the regulations that came in 10 or 12 years ago, it learned that we do not put fuel tanks next to streams and understands that we do not put slurry in a stream. Equally, and importantly, it realises that we do not bury animals next to a stream or in proximity to one. That is as plain as can be. I hope that the Minister will accept that, in calling for a derogation, nobody is calling for the wholesale desecration of any part of Wales or the UK as a whole. I am confident, as I always have been, that the farming community will act responsibly. I live in its midst and know how the industry works. I know the regard that the community has for the landscape and for animal and, crucially, human health.

My hon. Friend mentioned the definition of "remote". With great respect to the hon. Member for The Wrekin (Mark Pritchard), I find it difficult to think of Shropshire as remote. It is probably remote from somewhere, but I am not sure where. Being more serious, my understanding is that there is a UK DEFRA definition of "remote" and an EU European definition. What are the definitions and which is applied to the question of whether there can be a derogation? My hon. Friend says that there are lots of sheep and cattle in north-west Wales, but they are relatively sparse in many parts.

Will the Minister consider enabling a derogation application to proceed? He knows that the Minister in the National Assembly, Carwyn Jones, is in favour of that and is making efforts to secure it for parts of Wales. I ask him to consider the issue carefully. If there is some confusion between one definition and t'other, perhaps that needs to be addressed.

I return to my initial point: I hope that other factors will be taken into account. There is the classical idea—if not the definition—of remoteness and also of sparsity and the nature of farming in the uplands. I return to the idea of there being lots of areas—my area included—that are less favoured traditionally for the purposes of agriculture.

This has been a useful debate. I congratulate my hon. Friend again on raising the subject. I appreciate that this is one of those rare occasions on which there is—virtually—unanimity throughout the Chamber. That occasionally arises when there is a true crisis and, believe you me, Mr. Gale, this is a crisis.

3.29 pm

Mr. David Jones (Clwyd, West) (Con): I appreciate that the time available to me is brief. I want to target the question of remoteness, which has been mentioned. Geographical remoteness should be considered in terms of the capacity of the renderers to serve the areas that they are supposed to serve. I represent a famous agricultural constituency in north Wales. It cannot be said in geographical terms to be remote, because it has a four-lane highway passing straight through it, but I was told only this morning by a farming constituent of mine that he had had to wait some two months for one carcase to be removed earlier this spring.

The capacity of the renderer to cope with the volume of carcases that need to be removed is insufficient. In assessing the definition of remoteness, perhaps the Minister will consider whether it should not simply be a geographical consideration, but also a consideration of the capacity of the local renderer to deal with the agricultural community that he serves.

I could make many more points, but time is against me. The most important point is that significant biosecurity and public health issues need to be addressed. When we hear, as we did earlier this year, that several thousand carcases are waiting to be incinerated at the local renderers, we know that there is a significant public health problem and the Minister should address it urgently.

3.31 pm

Mr. Colin Breed (South-East Cornwall) (LD): This has been a useful and interesting debate. There is considerable unanimity on the matter across the House, and I congratulate the hon. Member for Caernarfon (Hywel Williams) on bringing it before us.

Fallen stock has been a cause of concern for a little while in Cornwall. Four weeks is fairly normal and eight weeks is not unusual for farmers to wait for animals to be collected. There are real problems of implementation and, as has been said, small family farms seem to be suffering particularly, because they often have rather small numbers of animals to be collected.

The Minister will undoubtedly say that the scheme has not been going for long—I accept that, although it was introduced somewhat later than all of us expected,

and later than the Government announced—but it has been long enough to recognise some of the issues, which are now being exposed and must be addressed. I am not certain how much longer we want to allow for bedding in before we accept that the issues must be addressed.

To deal briefly with issues such as on-farm burials, water tables and biosecurity, it was right following the disasters of BSE and foot and mouth to follow a precautionary principle, as I think all hon. Members present would agree. We needed to take care and ensure that the general public had confidence in the agricultural industry. However, that does not mean that when new evidence comes along, reassessments and new risk-assessments cannot be made against research done since that precautionary principle was adopted. There is a case for saying that we understand some of these things somewhat better, so a reassessment should be made.

I also agree that farmers are careful with burying their stock, as they were for many years before the new regulations were introduced. Even where there are derogations, farmers always take great care in deciding where to bury any of their fallen stock.

Demand is clearly variable, which is part of the problem with collections. When demand is low and we need to collect a larger number of animals to make the operation sensible economically, timing goes out and farmers wait longer; when there is higher demand, time scales tend to diminish. Sparsity is just as much a part of that problem as remoteness. Remoteness from abattoirs affects the ability to keep costs sensible, but the sparsity of farms and animals is also a problem. Farmers generally co-operate if they can. If they know that they have fallen stock, they try to club together with neighbours to get animals collected as quickly as possible. That is in their best interests. I know farmers who have been on the telephone day after day, trying to get a collection sorted out.

I am not certain whether we can increase derogations. There is a possibility, but perhaps clearer criteria are needed on that. However, I have no doubt that there are farmers who feel very guilty about having to break the law, in the sense that they believe—probably quite rightly—that, in terms of biosecurity, burying an animal is far better than leaving it to be collected five, six, seven or eight weeks later.

I am not certain whether the regulations were imposed on us with some sort of gold-plating, or whether they were forced on us because of some potential competitive advantage. I think that sometimes such measures are a result of an obsession with uniformity. The whole idea of subsidiarity seems not to have been taken on board at all. Sometimes, we get the feeling from the European Union that we must get uniformity, even though quite clearly there are different circumstances in different parts of Europe. Of course, even if the regulations were foisted on us, our Ministers were part of the decision-making process. I am sure that our Minister was there when the decision was made, agreeing that the regulations would be introduced in this country. Therefore, it is very much the Government who are in the dock.

I was taken with some of the points raised by the hon. Member for The Wrekin (Mark Pritchard); he made some useful points about examining the scheme and about helping farmers with the purchase of incinerators. We should look into the co-operative side of the issue. Perhaps the Government can help the matter along in some way, through grants or some sort of tax break. Perhaps they could encourage the process, so as to provide support in those areas where things are difficult because of the relatively small numbers involved and because the farmers are too far from abattoirs and collection points.

As for whether the legislation is a regulation too far, as my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) suggested, I am not sure. We do need proper assessment, but there is a need to look again at how the regulation works in this country, and at whether our farmers should be burdened with it at all. Also, there are concerns, certainly in Cornwall, about the continuation of the 50 per cent. discount scheme and what will happen in a little while, when charging might well rocket.

To sum up, does the Minister agree with the great majority of us here that DEFRA should undertake a review, even at this stage? We do not need to wait any longer for bedding in. DEFRA should review the scheme and ask how it has worked so far. It could consider new scientific evidence and determine the real need. Could we consider at least a partial return to on-farm burials? If so, could they be authorised in some way, perhaps by extending derogations under certain clear criteria of remoteness, sparsity and so on? However, if DEFRA says that collection has to continue, there must be a much better organised, better funded collection scheme, and more of the innovative thinking discussed today.

What is the network of available abattoirs like? I suspect that it will not be drastically increased or improved in coming years. What about seasonal demands? How will we address seasonality? How are the costs working out, and how will they be allocated in future? It would be sensible to review all those matters, and to look at where the Government's role might be in providing a little additional support for some of the new initiatives.

We are looking to the Government to recognise that there are real problems in many areas with the scheme, which has been implemented for quite some while. Those problems should be addressed. They need to be considered in a full review, and then action should be taken. Farmers need to know where they are. Are we to continue with the scheme and, if so, will the problems be sorted out? Or will the Government consider some changes to the scheme, such as increasing derogations, so that farmers have a clear idea of the situation? At present, many farmers are extremely worried about how they will deal with fallen stock in future.

3.39 pm

Mr. Owen Paterson (North Shropshire) (Con): I heartily congratulate the hon. Member for Caernarfon (Hywel Williams) on securing the debate, which concerns what is a huge problem across the country. As hon. Members have said, the problem is patchy, but I know that it is especially appalling in Wales and, despite what the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) said, particularly bad in Shropshire.

Regretfully, I have to say that I hold the record on this issue in that, last week, I met Mr. Ifor Lloyd from Nantmawr, who had to wait seven and a half weeks for

[Mr. Owen Paterson]

10 ewes and a bag of lambs to be collected. However, they were not collected and, in the end, his son had to put them on a tipper trailer and take the rotting carcasses about 20 miles to Cluttons in Wrexham. It gives me no pleasure to say that we win the stakes for the longest collection time.

As has been pointed out, this is a family farm, which has grandchildren and visitors on it. It is not an isolated case. As Members representing Welsh constituencies and my hon. Friend the Member for The Wrekin (Mark Pritchard) have said, the problem occurs throughout the country, and the blame must with lie with several directives.

I must declare an interest. I used to be in the leather trade, and for 25 years I was a tanner. I was in the business of disposing of the by-product of the meat and livestock industry. That used to be called the fifth quarter: the hides, the bones, the meat and the offal were disposed of commercially in an environmentally friendly manner. Now, thanks to a succession of directives, there is a huge mess, which is symptomatic of our new system of government. The animal by-products regulation 2001, waste incineration directive 2000, the framework directive on waste, the 1999 landfill of waste directive from the Council of the European Union, the groundwater directive and the manual handling of loads directive are contradictory.

I put it to the House that it is no longer possible to farm legally. It is ridiculous that we are putting some of the most law-abiding, hard-working people in the country in such a position because we do not make law in a transparent manner in this place, where all interests can express their views and the law can be scrutinised thoroughly. If we get it wrong, the law can be amended; if we get it really wrong, as we have in this example, it can be repealed.

I commend to the Minister my private Member's Bill, the European Communities Act 1972 (Disapplication) Bill, which is supported by my hon. Friend the Member for New Forest, West (Mr. Swayne). It would allow us to override European legislation if we thought it to concern a matter of interest here. As has been said, it is ridiculous to say that one size fits all in many areas. That is especially not the case in relation to water tables. It is perfectly sensible not to bury stock in low countries such as the Netherlands or Belgium, or in the Rhineland, but in north Wales, where the collection point cited by the hon. Member for Caernarfon is 5 miles from my house and 100 miles from his, it is ridiculous to impose such a regulation.

Despite heroic attempts and large sums of Government money being spent to prove a connection, will the Minister explain what evidence says that there is any danger from burying sheep? There has been a real push to blame the sheep industry in this matter, but I have yet to see any scientific evidence. Does he have any? If he does, why does he not show interest in digesters, to which the hon. Member for Meirionnydd Nant Conwy referred? I received a good letter from Mr. Huw Thomas of NFU Cymru, which suggests that bio-digesters, which are sealed, could contain all the bacteria and that, if there was any dangerous material, it could be sucked up by what, colloquially, are called sludge gulpers and taken away for incineration.

Let us consider those who are handling this material. As we have heard, a company called Cluttons is involved. It is situated 5 miles from Shropshire, 6 from Cheshire and 100 from the hon. Member for Caernarfon. It used to take in 80,000 sheep in a season. Last week, I met Sam Clutton, the director of the company, who made the point that knackering is a salvage operation. He belongs to the Licensed Animal Slaughterers and Salvage Association, whose members sell skins and hides, as well as the meat for dog meat and the bones and offal for meal. Tallow is burnt.

Mr. Clutton said that every bit of the dead animal had a value, but now it is all cost and we know that we are not protecting the environment as well as we were before. In brutal terms, if the Government and the Commission have had any discussions on these matters, and if the Commission had any sort of clue about what goes on in places such as north Wales, Shropshire and Cornwall, they would have looked at the numbers. They did not work out the logistics of a problem involving 80,000 sheep, about 2,000 cattle and sending small vehicles across from Wrexham all the way to Caernarfon. They did not take into account the problem of bulking-up or that of getting staff. Such material is pretty unattractive to handle.

My next question to the Minister is about what work is being done to look at Dolavs. "Dolav" is an Israeli word to describe large plastic fruit boxes that can be sealed. There is a chance that we could restore the practice of bulking up. We need to get Cluttons to re-establish its base in Bangor, and Dolavs might be a solution. I am trying to be constructive. Those bins can be handled by people and they are not off-putting. If material begins to break down within them, the smell can be contained. Above all, they can be stacked and piled. Will the Minister answer that question? Work needs to be done urgently. If we are not to go down the digester route, we would like to know why. Will the Government consider Dolavs?

There are other worries: not only is a very small number of people now involved in this exercise, but it is ludicrous that we have only one operation for the whole of north Wales, and right on the periphery. That operation is struggling to get staff and wondering whether it is worth investing for the future. What are the Minister's predictions for this scheme? Some 50,000 members were being sought from across the UK, but I understand that there are only about 30,000 and that a taper is planned on the investment—or subsidy, if we want to call it that—from the Government. What measures are being taken to ensure that the scheme is viable and that companies such as Cluttons invest in new trucks and new bulking-up areas?

My hon. Friend the Member for Monmouth (David T.C. Davies) touched on the question of hunts. In March 2005, 143 of the 360 recognised fallen stock disposal outlets were hunt kennels. According to Produce Studies Ltd., which contributed to the Burns inquiry, hunt kennels subsidised the collection service to the tune of £3,370,000 in 2000 and they took in 500,000 carcases in 2003. One of the directives that I mentioned introduced a change to the temperature at which incinerators burn off. I am afraid that most hunts are now going to drop out, because the £15,000 for an afterburner that takes the exhaust gases up to 850° C for

two seconds, as required, represents a huge cost. For example, Wynnstay hunt kennels, which collects from within my constituency, used to take in 2,000 calves a season and several hundred cattle, but it has run its operation right down to the minimum.

Again, what the kennels did was environmentally sustainable, but where I live we are seeing a huge increase in the number of ravens and buzzards, because, as we know perfectly well, the stock is being left out there. Farmers may well be signed up to the scheme, but I think the majority of the material is being left out.

It is possible that I contributed to the re-election of the hon. Member for Brecon and Radnorshire (Mr. Williams). I went to Brecon and met the members of the Farmers Union of Wales and some of his other NFU friends. They made the very good case that, in certain areas, one simply cannot get at animals when they die. Mr. Morris mentioned a case of a beast that injured itself and died near a railway. People could not get any machinery near it and the public authority said, "You can break the law and bury that beast there."

Mr. Morris also made the telling comment that his brother works at the council and is not allowed to lift anything weighing more than 25 kg. A Bobcat has to be brought in to lift a paving slab, for example, but he is expected to lift carcasses weighing well over 25 kg—a big lamb could weigh 40 kg and a big, wet ewe in winter 100 kg. I ask the Minister for his comments on the manual handling directive, which relates to that issue.

Further problems are coming along. A directive is to decree that tallow is waste. At the moment, 265,000 tonnes of tallow are produced a year and 100,000 tonnes are produced as fuel. That will now have to be dumped. Mr. Paul Foxcroft, of Prosper De Mulder, which is a big rendering company, said:

"If we go back to burning heavy fuel oil, who'll benefit? Our particulate emissions will be four times higher and our NOx emissions ten times higher."

He says that the estimated cost to farming and animal by-products industries will be £30 million a year. Is he right? What measures is the Minister taking to ascertain the impact on the rendering industry? What will be the real cost to farmers?

There is a further nightmare down the road. The derogation on meat products in supermarket packaging that are past their sell-by date is up this year. That will be a further cost on the rendering industry, because rendering meat products that are still in their packaging—sandwiches, for example—will no longer be allowed. The big supermarkets have got away with the derogation until this year, but what will happen at the end of this year and what impact will it have on fallen stock?

I leave the last word to Mr. Peredur Hughes, president of NFU Wales, who said that the current position is "totally, totally unacceptable." He also said, "None of us wanted to see this legislation. We have been burying sheep for years, and we bury pets, dogs, horses and humans."

I leave the Minister with a final thought: 530,000 humans die every year and we bury 126,000 of them. Many of them die of diseases that are considerably nastier than diseases in sheep. Why are those people allowed to be buried when sheep are not?

3.50 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): I congratulate the hon. Member for Caernarfon (Hywel Williams) on securing this debate. I shall try to respond to as many of his points as possible in the limited time left to me. If I fail to respond to everything, I will write to him and to other hon. Members on their specific points.

I shall deal directly with the concerns raised by the hon. Gentleman about the situation in north Wales, but it may be helpful to put the debate into context and say a little about the setting up of the national fallen stock scheme last November.

Despite its teething problems, we now have a voluntary scheme with 30,000 members, and it works effectively throughout most of the UK. At the last count, there had been 100,000 collections, complaints had been received on less than 1 per cent. of those collections and a survey of members had illustrated a 90 per cent. approval rating for the service provided.

Mr. Swayne: What planet is the Minister on?

3.51 pm

Sitting suspended for a Division in the House.

4.6 pm

On resuming—

Mr. Bradshaw: I was prefacing my detailed remarks in response to the debate with an outline of the background to the fallen stock scheme. I stress that the scheme was set up jointly by the Government and the industry with the help of £20 million of public subsidy over three years. Farming interests have a majority on the board and, for DEFRA, that is an important model for our future animal health and welfare strategy.

Before we were interrupted, the hon. Member for New Forest, West (Mr. Swayne), who is no longer here, suggested from a sedentary position that I was not living on the same planet as him. However, the scheme has the full support of the major farming unions and livestock organisations in the UK. When the proposals were implemented, the president of the National Farmers Union, Tim Bennett, stated:

"The National Fallen Stock Company has presented a fairer and more equitable scheme for the entire livestock industry",

and the National Beef Association has said that

"no sensible farmer will turn their back on this option."

Let me turn to some of the specific difficulties raised by hon. Members, particularly the hon. Member for Caernarfon. I want to make it absolutely clear that neither I nor the National Fallen Stock Company consider the service provided earlier this year in north Wales as satisfactory. The situation arose from two factors. First, there was an upsurge in demand during the lambing season in sheep-producing areas for fallen stock collection services—not a surprise, one might think, but one must remember that in the past most such stock was buried. Therefore, the expected demand this year was unclear.

[Mr. Bradshaw]

The second factor was that in parts of north Wales there was only one fallen stock collector covering the main sheep-producing areas, again due to the fact that historically there has been limited demand for such a service. That collector did his best to gear up to deal with the extra demand but found that he was overwhelmed during the peak period. We must learn from that experience, and I believe that the National Fallen Stock Company has learned how to avoid the same problems next year.

Mr. Paterson: Will the Minister give way?

Mr. Bradshaw: No, I am sorry, but I will not give way. I have been left eight minutes in total to respond to a debate in which many points have been made. If the hon. Gentleman wants me to be more generous in giving way, he should leave me more time.

I am pleased that the farming unions in Wales and the collection industry have met National Fallen Stock Company personnel to discuss potential solutions, and some interesting ideas are already emerging. I am also pleased that the hon. Member for Caernarfon said that he had had a constructive meeting with the chairman of the company, Michael Seals, and I urge other Members who have described problems in their areas to get in contact with the company, if they have not already done so. They may find that there is a solution to their problems too.

On the proposed solutions for north Wales, first, there is considerable interest in introducing bulk collection arrangements. Bulk containers have the potential to improve biosecurity, make collection times less critical and improve logistics for the collector as more sheep can be collected each day. Secondly, the collector in north Wales is considering opening an intermediate collection premises in the area so that he is not dependent on taking all stock collected back to his main operation in Wrexham each day. The talks are ongoing. I do not want to prejudge their outcome, but the willingness of all sides to find a solution augurs well for next year. With demand for such services now evident, we can look forward to more competition being introduced in due course.

I turn to the more general criticisms and suggestions made by hon. Members. The first was on the question of derogations. I tell hon. Members that the issue was considered closely and with great care at the time that the regulations came into force. I am aware of no evidence that the regulations are being implemented in different ways in other parts of Europe. I will look into the case that was made about Italy. I am told by officials that some of the Mediterranean islands might have applied for derogations based on the remote criteria. The criterion was read out by the hon. Gentleman. I say to hon. Members that the only regions in the UK that are likely to qualify for it are the ones that already have done so—the highlands and islands of Scotland.

Mr. Roger Williams: The Isle of Wight.

Mr. Bradshaw: The Isle of Wight has not qualified for a derogation. I put that on the record. The hon. Member for Isle of Wight (Mr. Turner) may be labouring under a misapprehension. The Isle of Wight is enjoying exactly the same approach as is the north of Wales—light-touch implementation of the regulations. We have made it clear that, because of the problems particular to those areas, we are being understanding about farmers' ability to comply with the regulations.

There are other interesting potential solutions to the Isle of Wight situation, which I will not go into great length, as the hon. Member for New Forest, West is not here. They may be of interest to the hon. Member for The Wrekin (Mark Pritchard), as he mentioned the potential for farmers to set up co-operatives on incineration. That is already happening in Cumbria. It has the potential to attract public funding and help, although probably not for individual farmers who are doing what the hon. Gentleman's constituent did. It sounds to me as though that constituent spent a lot on an incinerator when it might have been better value, and cheaper in the long run, for him to join the fallen stock scheme. There are possibilities in that direction. That is one of the options being pursued to tackle the problem in the Isle of Wight.

I will deal with the other issue raised by hon. Members. I am afraid that it is not realistic to think that there is likely to be a reversal or review of the regulation. Hon. Members will be aware of the origins of the regulation. It came from the definite scientific advice that there was a risk that had to be taken into account, albeit an uncertain risk. My hon. Friend the Member for Stroud (Mr. Drew), who is no longer in his place, was absolutely right. The likelihood that scientists will reverse that advice and say that we can be more lax about biosecurity and other measures to protect both animal and human health is not high.

If Members are aware of new scientific evidence that will support them in making such a case, they should by all means provide it to me. I am not aware of any. I ask all the time whether any is available, as is my responsibility as a Minister.

Mark Pritchard: I am intrigued by the Minister's comments about biosecurity. Today I heard comments throughout Wales and England arguing for a review of the scheme to protect biosecurity. He is arguing against a review of the scheme to protect biosecurity.

Mr. Bradshaw: The hon. Gentleman is right: if carcases are left lying around for long periods the scheme is not working. He has a valid point. I am making the point that the ban on land burials of animals is not going to be reversed unless new and convincing scientific evidence comes forward. That evidence is not available. I challenge any hon. Member to provide, if they have it, the evidence that is likely to change the scientists' minds.

Mr. Paterson: What is the evidence?

Mr. Bradshaw: I say to the hon. Gentleman that it was his Government that gave the country BSE because it ignored the scientific evidence. Is he suggesting that, were he in my place, he would ignore the advice of

scientists, risk both animal and human health and risk inflicting a disaster on our farming community similar to that inflicted by his Government?

Mr. Paterson: Will the Minister give way?

Mr. Bradshaw: No, I will not. The hon. Gentleman is advocating that we do exactly the same thing that his Government did. That was what gave us the problem in the first place. A little humility and rationality from the hon. Gentleman is in order.

Mr. Paterson: On a point of order, Mr. Gale. Is it right for the Minister to make direct accusations against me, the shadow Minister, without giving way?

Mr. Roger Gale (in the Chair): As the hon. Gentleman well knows, because he has been here long enough, the Minister is responsible for his own remarks. That was not a point of order for the Chair.

Mr. Bradshaw: Yes, particularly when I am being heckled from a sedentary position.

I am pleased to say that there are solutions that will help us to address the serious problem in north Wales. If hon. Members still have concerns about how the scheme is being implemented in their areas, I urge them to contact Michael Seals. They can do that easily immediately after this debate.

The national fallen stock scheme has been created in partnership with industry. It will continue to operate on that basis.

Floods (North Yorkshire)

4.15 pm

Miss Anne McIntosh (Vale of York) (Con): I am delighted to secure this debate. It gives me an opportunity to congratulate again all the emergency services involved in the floods on their swift response, particularly the fire service, the councils, the Environment Agency, the internal drainage board, Yorkshire Water and, last but not least, the insurers.

On the afternoon of 19 June, we were faced with unprecedented conditions, with rainfall over a three-hour period of 2.5 inches per hour. That was against the background of a high water table and very hard ground.

I shall use this opportunity to put a series of questions to the Minister. However, I say at the outset that, although I am delighted that he is present, I am extremely disappointed, following a commitment that I received from the Prime Minister at last week's Question Time that the relevant Minister, the Minister for Climate Change and the Environment, would meet me, that that has not happened. I would like to take up that offer on another occasion.

Before I come on to my questions and call for action from the Minister, there are a number of issues that I wish to bring to his attention, and I invite him to make representations to other Departments, in particular the Office of the Deputy Prime Minister.

Although I recognise that what happened was an act of God, I am disappointed because I called for action in two Adjournment debates that I was fortunate enough to secure in 2000 and 2001, in which I rehearsed many of the arguments that I will put to the Minister today—that too many bodies are involved, that there is not a single agency with overall control, and that even more properties might be uninsurable. I am also disappointed that the flood alleviation scheme for which I called for Thirsk is not in place. That would certainly have helped prevent this type of flooding, against the unprecedented background of flash floods, in Thirsk itself, although it might not have helped outlying villages.

The Bellwin formula covers a number of situations, but Hambleton district council draws attention to the fact that, with regard to the recovery of personal items and possessions, the Bellwin scheme does not apply. For example, if Hambleton district council were to remove a car from the river, it would need to pursue the owner so that its costs could be recovered from that person's insurance claim. That is harsh when dealing with the restoration of a village community. If Hambleton or any other district council were to find a car in the river, they would of course remove it, but I hope that the Minister will make representations for that to be recompensed out of the Bellwin formula.

As on other occasions, North Yorkshire county council is hoping to join Hambleton and other district councils in this regard to make sure that the Bellwin scheme, which is only claimable after the threshold has been reached within the current year, pays the first £1.1 million. The timing for the claim is within one month of the incident, which is extremely difficult to achieve. Will the Government allow the county council to incorporate its qualifying expenditure into the Bellwin claim of district councils, and will they see fit to extend the timing for the claim?

[Miss Anne McIntosh]

The Environment Agency has confirmed that it has no powers to intervene to undertake works on a non-main river. Following the 2000 floods, I was promised by the Minister's predecessor that Cod beck would be enmained, but there has been no progress. The EA commissioned a section 105 watercourse investigation study, which was passed to the internal drainage board and the local authority, Hambleton district council, and a further feasibility study. However, the EA has not used its powers to promote a scheme. Under the present arrangement, Cod beck is managed by Cod beck internal drainage board with a budget of a mere £20,000 a year. Hambleton district council also has residual responsibility.

The Minister will be aware that Hambleton district council is due to be capped in this financial year. That represents a double whammy and the Government must look favourably on the requests from me, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) and Hambleton district council for it not to be capped. This is the wrong year in which to seek to cap it. It would impose additional expenditure of £50,000 to send out further bills. I hope that the Minister will make representations, as I will, to the Deputy Prime Minister.

The watercourse at Cod beck is due to be enmained in April 2006, which is six years after the original decision was taken and the floods in 2000. The funding of any scheme by the Environment Agency will depend on confirmed priority scoring for 2006–07. At the moment, the points are almost being reached. However, I urge the Minister to look favourably on removing that mandatory and inflexible point-scoring system.

I want to take the opportunity to call for the action that has been requested by the Association of British Insurers and others. They are asking for the expenditure on flood defences to meet or to exceed that set out in the 2002 spending review; the implementation of the improvements in the system of flood defence planning set out in DEFRA's consultation paper "Flood and coastal defence funding review"; the full implementation of PPG25—planning policy guidance on development and flood risk—with full reporting of the level of compliance by local authorities; and consideration of administrative processes in the review of PPG25 in 2004.

There was an initial request for the Environment Agency's flood asset database to be made available to insurers by the beginning of 2003. It should be made as publicly available as possible. There need to be early improvements in the flood warning system, which broke down woefully. In the case of commercial properties in Finkle street, the flood warning was given at 10.45 pm on the Sunday evening, although the properties were flooded at 7 pm. I ask the Minister to investigate why there was no flood warning in that instance.

Full and detailed consideration, including a cost-benefit analysis, should be given to integrated drainage management for England and Wales, similar to that in operation in Scotland. There should also be implementation of realistic solutions to sewer flooding, including increased investment in improvement programmes.

As for farming, there has been loss of livestock—cattle and sheep—and fences have been destroyed, many of which were paid for by DEFRA through the countryside stewardship scheme. Will DEFRA be able to fund the replacement of that fencing? The situation has led to many animals being displaced.

I have in front of me a letter from Harry Woodhead of Piperhill, Felixkirk. He is not just a leading member of the Thirsk auction mart and a leading local farmer, but chairman of the local parish council. He makes a plea to DEFRA to be "sensible" over the losses of stock. A farmer is expected to notify cattle movements within three days. He heard at the mart that a calf turned up nearly 3 miles from where it should have been.

I hope that the Minister and his Department will relax the animal movement reporting schemes. Crops have been ruined. There are uninsured losses. Houses, including farmhouses, have been flooded. There is structural damage, flooding and loss of livestock accommodation. Dead livestock needs to be discovered and removed. There are added complicating factors for farmers in the clear-up operation, in particular the implications of the recent regulations relating to agricultural waste. I hope that the Minister will look favourably on that request, particularly in relation to animal movement restrictions where animals have been displaced.

I should like to put a series of requests to the Minister. Will DEFRA please be sensible about the losses of stock and relax the three-day notice period on movements, given the nature of the problems that farmers are facing, and given the lack of clarity in some cases? In one case, a calf turned up three miles from where it should have been, which was on the owner's farm. Many of the deceased animals are in inaccessible places, and they will take time to remove, at an additional cost to the Environment Agency. Furthermore, will DEFRA please guarantee that the collection of animal carcases, such as the removal of dead sheep from river beds, will be free of cost to the farmers, who are already facing a high financial burden?

Of the fences destroyed, will the Minister be able to fund their repair and replacement? Where crops that have been lost were uninsured, will the farmers be compensated for such uninsured losses, and will the Minister find the funds from DEFRA, and, if necessary, ask the Deputy Prime Minister and the Prime Minister for emergency funds to be made available for the clean-up of the countryside and the carriageways of people in possession of debris? The clean-up operation alone is running at hundreds of thousands of pounds.

Will the Minister please speed up the proposed enmaining of Cod beck, and the placing of it under the main rivers category and under the authority of the Environment Agency, instead of waiting for the expected enforcement date of April 2006? Will he also relax the point-scoring scheme in the regulation to ensure that the flood alleviation scheme for Thirsk, which has been flooded dramatically twice in the past five years and less dramatically more frequently than that, qualifies? Will he agree to expedite the flood alleviation scheme and ensure that the scheme for Thirsk and other suggested flood defence projects in the area are agreed to, and will he relax the point scoring?

Will the Minister make representations on my behalf to the Deputy Prime Minister for extra funding for the repairs and the clear-up under the Bellwin scheme, and will he ensure that such payments are made swiftly? Will the Minister please ask the Deputy Prime Minister to consider relaxing the restrictions on the Bellwin scheme payments, which exclude payments for personal items such as cars? Will he ask the Deputy Prime Minister to reconsider the proposed tax capping for Hambleton district council this year? Capping has already posed serious problems for future budgetary arrangements, and now, in light of the inevitable additional costs faced by the council, it would be extremely punitive for the local taxpayer.

Will the Minister ask the Deputy Prime Minister and the Prime Minister to make emergency funds available to North Yorkshire county council to repair the damage to roads, estimated in excess of £1.8 million, and to bridges, estimated in excess of £1 million? Will he please ask them to pledge to have a moratorium on any planning applications for effective and functional flood plains? In particular, will he call for the turning down of the planning application for the construction of buildings adjacent to the recent flooding and bang next door to the Todd's court development?

Will the Minister make representations to Yorkshire Water to ensure regular maintenance is carried out on pipes, drains and waterways to reduce the risk of flooding? Will he ensure that there is an effective flood warning system in place, and that there is adequate sewage maintenance and drainage by Yorkshire Water and the Environment Agency? Will he make representations to the ABI to ensure that everyone is eligible for insurance, that the dentists and other commercial properties in Finkle street will not be uninsurable, that for residential properties in riverside mews the excess will not be greater than the current £1,000, and that all properties will be considered insurable?

Will the Minister investigate why there was no flood warning, and why in some cases people have been told that there will be no insurance? Does he accept that there are too many agencies involved, and that there is not one agency in charge? Will the Government dig deep in their pockets to help the people of North Yorkshire in their hour of need?

4.30 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jim Knight): I congratulate the hon. Member for Vale of York (Miss McIntosh) on securing this debate on the important subject of the flooding in North Yorkshire. She has rightly asked a number of questions on behalf of her constituents, and has done a good job in representing the problems that the event created.

My hon. Friend the Minister for Climate Change and the Environment is unfortunately in the main Chamber at the moment. He is due to speak on climate change once the hon. Member for Lewes (Norman Baker) has finished talking, as he leads for the Government on that subject. That explains his absence from this debate.

The hon. Lady asked a series of questions; sometimes it felt as though she were peppering me with them faster than I could write them down. I am aware of the commitment made by the Prime Minister in the House last week.

Miss McIntosh: I understand that the Minister will not have every answer at his fingertips, but I should be grateful for the opportunity to follow up with the relevant Minister any questions that he does not answer today.

Jim Knight: I was about to say that when I see my hon. Friend the Minister for Climate Change and the Environment I will remind him of the commitment that the Prime Minister made and of what the hon. Lady has just said, so if there are questions that I cannot answer to her satisfaction, she will have another opportunity to raise them with the Minister and the Department.

I visited North Yorkshire over Whitsun. I went to Ribblesdale for the launch of the open access scheme in the north of England, so when the flooding happened, not long after I returned, I was very concerned. I am pleased that we have an opportunity to respond to the flooding of 19 June. I join the hon. Lady in offering my sympathy to those affected by what was to them a catastrophic event, and I pass on my congratulations to the emergency services, which did such a fine job in responding.

As was widely reported in the media, parts of Yorkshire, Durham and Northumberland were subjected to heavy thunderstorms on the Sunday. One month's rain fell in two to three hours in heavily localised thunderstorms over the moors. That concentration of rainfall, falling in so short a time, travelled down the valley and into the villages at the bottom. That led to flooding of the River Rye, the Cod beck—as we heard—and other minor watercourses. Together with surface water run-off, that caused flooding in Thirsk, Helmsley and other villages along those watercourses. In addition, other locations in Yorkshire, Durham and Northumberland experienced flooding resulting from surface water run-off.

Flooding is a natural event, and such storms have always happened. People need to be aware that flooding can happen at any time, and often in unexpected places. My house is on the edge of a flood-plain, and I subscribe to the Environment Agency's flood watch scheme, so I am acutely aware of the risk. The Met Office did predict the weather conditions over the north of the country, but it is difficult to predict exactly where and when rain will fall, and in what amounts. That makes the provision of timely warnings extremely difficult, although the agency did issue flood watch warnings across the region, and issued specific warnings for Thirsk and Butterwick, which are covered by the full flood warning system.

I heard what the hon. Lady said about failings that may have occurred in particular locations, and I will certainly look into that with the Environment Agency on her behalf. I will let her know what response I get from the agency about the reported incidents of failure of the system, and what it will do to rectify any problems.

So far, the full warning system has not been extended beyond Thirsk and Butterwick because there was no recent history of river flooding. It must be understood

[Jim Knight]

that the full warning system is subject to technical feasibility and cost-effectiveness. To provide a service, the agency requires equipment to be installed to feed data into the forecasting and warning system, and it is very difficult to provide a satisfactory service to communities in the upper reaches of catchments, such as those in North Yorkshire, where small water courses respond rapidly to rainfall. Nevertheless, the agency will review whether any improvements are viable.

I understand that about 100 properties in all were flooded from all sources, and a number of people were evacuated from a caravan site in Duncombe park. Some people who left their homes have now been able to return and I hope that others who left their homes will be able to return there quickly. As we have heard, local roads and bridges have been affected and some local minor roads were closed, but access to the village is being restored. There has also been flood damage to sewage works, which is now being made good. As yet unconfirmed numbers of livestock were lost, but the total will certainly run into the hundreds.

I would like to respond to what the hon. Lady said about fencing works, animal reporting schemes and the collection of carcases. Certainly, if local landowners and farmers are making applications to the Rural Development Service or other sources, I would be keen to see copies of those applications so that I can follow them from my end in the Department. I am mindful of the need to help those affected as best we can within the parameters we have.

Mr. John Greenway (Ryedale) (Con): Even after the debate, we need to pursue some of the issues with the Minister. He mentioned Duncombe park in my constituency, and it is a miracle that no loss of life occurred there. There had been a major motorcycle rally in Duncombe park that weekend and an entire tented village flooded. Thankfully, most of the motorcyclists had gone home.

There are two issues that the Minister has already mentioned, but I would like to stress the importance of having support and help from Government. There is at least 60 miles of fencing in the Snilesworth and Arden moor area, which is where the boundary lies between my constituency and that of my hon. Friend the Member for Vale of York (Miss McIntosh). The fencing is well over 1,000 ft high and more than 40 farmers are affected. Many of those fences were funded by DEFRA grants.

Mr. Roger Gale (in the Chair): Order. The hon. Gentleman knows the difference between a speech and an intervention.

Jim Knight: I have heard the hon. Gentleman reiterate the points that were made so well by the hon. Member for Vale of York. There were also cuts to power supplies in East Yorkshire as a result of lightning strikes, which have been repaired, at least on a temporary basis. The efforts of the emergency services, to which I paid tribute earlier, included airlifting one lady who seemed to have suffered a heart attack. The staff of the power companies have been working hard to restore the power, and we should also not forget the public-spirited residents themselves but praise them for helping their neighbours and others in difficulty in the community.

Regarding the clear-up operation, the flood waters have now subsided and the job of clearing up continues. As part the process, the Environment Agency has been clearing water courses of debris and animal carcases, which we have heard about. The Government stand ready to consider any applications from local authorities under the Bellwin scheme, which is administered in the Office of the Deputy Prime Minister.

I heard what the hon. Lady said about the scheme, such as whether we can extend the period in which people can make a claim. I shall pass on her comments to the ODPM along with those relating to capping. She asked whether this was the time to stop all further development on flood plains. Planning policy guidance 25 governs planning decisions and says that development should be based on a full appreciation of risks balanced against other community needs which may well result in some further development of currently protected areas. Developers should continue to have primary responsibility for any new or improved defences required for their development on flood plains. Long-term flood and coastal defence planning through shoreline management plans and catchment flood management plans should take account of the likely location of future developments and should provide information on long-term risks that can guide future development decisions. I know the strength of feeling the hon. Lady has on this issue and I shall certainly pass that on to my colleagues in the ODPM.

The Bellwin report provides for help from Government with the exceptional costs incurred in responding to such flooding events. However, it is too early for the local authorities involved to assess whether an application under the scheme should be made. That is the point that the hon. Lady made in respect of timing. Local authorities have been put in touch with the ODPM and that dialogue is ongoing.

We must learn the lessons from events like this. In the first place we will ask the Environment Agency, with others, to report on the causes of the flooding in each locality, as it is clear that flooding came from a number of sources, including rivers and other watercourses and drainage systems. Under "Making Space for Water", our new strategy for flood-risk management, we are advancing the complex issues of flooding from all sources in urban areas through urban drainage pilots. That approach may not always be appropriate for outlying and rural areas. As Minister responsible for rural affairs, I will consider that.

The hon. Lady mentioned insurance. The Association of British Insurers says that its members will adhere to the statement of principles, provided certain actions are carried out by the Government to reduce flood risk. The Government and the ABI agreed success measures in November 2003 to evaluate the progress of actions by Government, and the aim of insurers in conjunction with DEFRA and the Environment Agency will be to ensure that premium levels more closely reflect flood risk. It is for the ABI and its members to assess the availability of cover, but we shall continue to work closely with it to ensure that there is a full understanding of that risk in the light of decisions on funding that have been increasing markedly over the past few years. That and current developments in improved flood-risk mapping will enable the industry to continue to provide cover in most areas.

I shall say a few words about the flood defences in the relevant communities. The hon. Lady has raised the matter of Thirsk on many occasions and has been a champion of it in the House. Thirsk has a history of flooding and I understand that Hambleton district council has commissioned feasibility studies to assess potential options for a flood alleviation scheme there. Early indications are that proposals involving town defences and upstream storage capacity may be considered.

The statutory powers to undertake those works currently rests with the district council, which is also in discussions with the Environment Agency about a transfer of responsibility for the watercourse involved—the Cod beck—to the agency. No decision has yet been taken on whether the council or the agency will promote a scheme, but in response to the hon. Lady's comments I will write to the Environment Agency and the council to encourage them to make more rapid progress. I have heard her frustration with the slowness of that progress.

Be that as it may, to attract Government funding any scheme must meet technical, economic and environmental criteria and come within the system for prioritising investment. At this early stage indications are that the proposals for Thirsk should meet those priorities.

Miss McIntosh: I understand that the Minister will not have every answer at his fingertips, but I should be grateful for the opportunity to follow up with the relevant Minister any questions that he has not answered.

Jim Knight: I was about to say that when I see my hon. Friend the Minister for Climate Change and the Environment I will remind him of the commitment that the Prime Minister has made and what the hon. Lady has said, so that if there are issues that I have not been able to answer to her satisfaction, she will have another opportunity to raise them with him and the Department. In respect of Helmsley, the need for a watercourse investigation study has been identified. The Environment Agency will be taking that forward as a matter of urgency.

DEFRA's system of prioritising investment for improvement projects attempts to ensure that those proposals that will provide most benefit per unit cost are funded regardless of location. There is no doubt that significant sums are being invested, both inland and in coastal areas like mine.

I shall highlight the Government's continuing commitment to fund flooding and coastal erosion risk management. Funding has increased steeply from £310 million in 1996–97 to £478 million in 2004–05, and it is set to rise to £570 million this year and for each of the following two years.

I hope that my comments have been helpful to the hon. Lady, but if there are other significant issues that I have not been able to cover, I hope that she will have an opportunity to raise them with my hon. Friend. In addition, I can write to the hon. Lady to deal with anything else she would like covered.

House of Commons (Ceremonial)

4.44 pm

Mr. David Winnick (Walsall, North) (Lab): Obviously, there are far more important subjects than this one, such as the very important one that we debated yesterday in the main Chamber, but that is no reason why it should not occasionally be debated. I want to make it clear that anything that I say should not be taken as a criticism of any individual officer or official, as what is done or worn in the Chamber is certainly not decided by such people.

In the bundle of background papers that I requested from the Library was a copy of an exchange that I had with the then Leader of the House on 22 June 1966, when I raised the subject of Black Rod interrupting the Chamber's proceedings to request or command our presence in the House of Lords so that Royal Assent could be given to Bills. Those who know me will not be surprised to hear that following my election that year, I was not altogether enthusiastic about the procedure.

Records show that in a 12-month period at that time, Black Rod, who was, of course, carrying out his duties, had interrupted Members in that way no fewer than 11 times. As we know, that practice was abolished by the Royal Assent Act 1967, and the current practice is for the Speaker to notify the House of Royal Assent. One might ask why that was not done before. Even those who favour carrying on traditions and who oppose change, do not, as far as I can see, argue that changes to such practices should be reversed. No doubt some argued, "Why should there be any change? It has gone on for years," and so on, but once that common-sense change was made and the Speaker began to notify the House without our proceedings being interrupted, the change was accepted.

There is one practice that I find very odd indeed, although I reiterate that I do not criticise the person concerned, who is one of my hon. Friends. Sometimes, the Government Whip who also holds the title of Vice-Chamberlain of Her Majesty's Household enters the Chamber in a morning coat carrying a long stick—or wand, as it may be called—to inform Members of a message from the Queen, and in carrying out that duty, he does a lot of bowing and so on. It is all done in a good-humoured way and takes a short time—I do not say that it should be discontinued because it takes up a lot of time—but I see no necessity for it. I see it as pantomime and do not believe that it shows great respect for the Queen, to whom I always want great respect to be given, as do all hon. Members.

Again, the inevitable question is: why is the practice necessary? What is the point of it and what justification is there for it? Surely, the remedy would be for the Speaker to notify the House when there is a message from the Queen. As with the end of the other practice I mentioned, I very much doubt whether, when this unnecessary practice ends, anyone will argue for its reintroduction.

Take, for example, the way in which the House of Commons is involved in the state opening of Parliament. We all know from long experience that on that occasion we sit in the Chamber—there are added frills here and there—and wait for Black Rod to arrive and command our attendance in the House of Peers for

[Mr. David Winnick]

the Queen's Speech, which he does in due course. I hope that this question is not too revolutionary, but is that really necessary in the 21st century? Those who are familiar with the story of "The Prisoner of Zenda"—I suppose one has to be of a certain age even to know about Anthony Hope's novel—and particularly those who have seen one of the film versions, of which there have been at least two, will compare what happens in the scene involving all the ceremonies in Ruritania with what happens here.

I find it very odd that it is necessary, at the beginning of the 21st century, to have such pomp and ceremony. For example, could not the speech simply be read? That is one skill that we all have: the ability to read. Again, I am making no criticism whatever of the Head of State—obviously not—but if there is to be a state opening, why can that not be confined simply to the opening of Parliament after the general election? During that particular Parliament, the Government could outline their policy in a modern way. After all, even pupils of 15 or so who study politics at GCSE and A-level know that the Queen's Speech is, as it must be in a democracy, simply the Government's policy for the next 12 or 18 months. That is obvious. So why not simply have a document in which the Government state that they are going to do this, that and the other? Why not have less ceremony and pomp and just get on with things?

In the Chamber itself, there is a lot of dressing up. I have emphasised that I am not criticising anyone, because if there is to be a change a decision must be made by the House. When we look around the Chamber—unlike in Westminster Hall—we see wigs, knee breeches and silver-buckled shoes. It is interesting that Betty Boothroyd decided that she would not wear a wig. The present Speaker does not wear a wig. Parliamentary democracy has not been undermined as a result. It could be argued that it is possible for the occupant of the Chair in the main Chamber to wear the same sort of clothes as you are wearing, Mr. Gale. In Committee, the authority of the Chair is such that it must be accepted by us all. It is certainly not a question of someone having to dress up in order for us to recognise their authority. Likewise, the Clerk in Westminster Hall does not dress up, unlike in the main Chamber.

Up until the end of the 18th century, there was basically no difference between the dress of Members and that of officials. Anyone coming into Parliament up until then would not have seen any difference at all. Then came trousers. As a result of Members' increasingly wearing trousers instead of knee breeches, a difference arose. That grew more marked during the 19th and 20th centuries.

There is also a totally harmless practice that goes on at the end of the parliamentary day. I sometimes wonder whether even Members who have been here some time are aware of the fact that at the end of the parliamentary day, the senior Doorkeeper, carrying out his duty, shouts out, "Who goes home?" No one responds. As I am sure you are perfectly aware, Mr. Gale, that custom arose during the mid-19th century. It was unsafe in those days—a lot remains the same—for Members to go up Whitehall individually. After the cry of, "Who goes home?", Members gathered in the Members' Lobby and were duly escorted by a police officer. If I responded to that cry and came into the Members' Lobby to wait to be escorted, the senior Doorkeeper would start to wonder. Again, the tradition is totally harmless, so we could say, "Why worry?", but why continue with a tradition that has absolutely no purpose?

I hope that, since some modernisation has undoubtedly occurred since 1997, we will consider some of the practices that I have mentioned: the dress, the code and the state opening. It is more likely that change will occur as a result of a Labour Government than otherwise. As I said, it took the Labour Government in 1967 to make the change that allowed Royal Assent to be given by the Speaker.

Finally, what goes on in the Chamber—we cover many important issues, as we did yesterday—does not make any difference. Of course, it does not make a difference if Officers of the House wear wigs; I agree that it is totally irrelevant. I do not suggest otherwise. However, if we want to give the impression that we are a modern institution—if we are so keen as to lecture other places about modernisation, ending restrictive practices and the rest—should we not look at ourselves, and bring ourselves more into the modern age? Would not it help Parliament?

If I may be so bold, I suggest that we can learn one or two lessons from the devolved institutions. I am sure that the Minister is enthusiastic about the Scottish Parliament. If he is not, he certainly will not say so.

4.55 pm

The Deputy Leader of the House of Commons (Nigel Griffiths): I congratulate my hon. Friend the Member for Walsall, North (Mr. Winnick) on securing this debate. I am sure that many hon. Members will want to pay tribute to the work that he has done over the 39 years since he took up the cause. He and others persuaded the House to accept some of the numerous changes that have brought our practices up to date, and they have undoubtedly made the House a better place.

My hon. Friend raised the matter more recently than 22 June 1966. During the Foreign Affairs debate on the previous Queen's Speech on 24 November, he took some time out to inform the House of his views. Today, he has brought us up to date. Of course, he does more than talk. He gave written evidence on his views to the Modernisation Committee the year before last so that it could reach a considered view and make recommendations. He also raised the subject at business questions.

I am pleased that during those years, right hon. and hon. Members decided to act on some of the issues raised. My hon. Friend mentioned the steps taken to ensure that the ceremonies surrounding Black Rod were improved and modernised better to facilitate the business of the House, which ensured more time for debate and less time for ceremony. He has been knocking at an open door—perhaps the same door that is ritually slammed in Black Rod's face. I know that that ritual has given many hon. Members some satisfaction, but others, probably including my hon. Friend, feel that the time has come to put such vicarious pleasures aside.

My hon. Friend and I remember well that on points of order during Divisions it was necessary for the hon. Member raising the point of order to don a top hat. A

pantomime top hat was kept handy by the Speaker's Office, and the Clerks would pass it to the Member making the point of order. I remember Eric Heffer, our late colleague, who was a rather large man, donning a small but high top hat, which probably caused some ribaldry on a rather serious point of order. Again, right hon. and hon. Members were persuaded that the days of the top hat were over, and raising a point of order has been more formalised and brought up to date with modern practice.

My hon. Friend and I were strong objectors to the use of the word "strangers" in the House to describe the general public who elect us and pay our salaries. Again, the House authorities listened to our representations and phased out the use of the word "strangers", replacing it with more acceptable terms for the 21st century, such as public gallery and public entrance. The cause that he has taken up has not been without fruit.

My hon. Friend's recommendations are less significant to the workings of the House than some of the more tangible changes that he and others have campaigned for and that have been delivered—I think that he used the word "frippery", but if he did not, I hope he will not mind my putting that word in his mouth. The strengthening of the Select Committees, for instance, has done more to bring the Executive to account and scrutinise their workings. The twice-yearly questioning of the Prime Minister before the Liaison Committee is another important innovation that has helped to strengthen the democratic accountability of the person at the pinnacle of the Government.

We have introduced other helpful mechanisms both for Members and for the wider public, such as explanatory notes on Bills and memorandums on statutory instruments. We have introduced regulatory impact assessments to help us better understand the cost and other impacts of measures proposed by the Government. In the time that we have been in Parliament, we have ensured that our proceedings are televised, and the proceedings of the Parliament and its Committees are now webcast too. That general extension of accountability and information has proceeded, and my hon. Friend should be thanked for his strong support, along with other hon. Members from all parties.

My hon. Friend put this Adjournment debate—which is on a not insignificant subject—in some proportion when he mentioned that he did not seek to set it alongside some of the major Bills and weighty matters that we have to discuss and that the public are interested in. If he does not mind my saying so, that showed in him a great sense of balance and perspective. I am glad that I have had a chance to hear his views first hand, and I thank him for his courtesy in informing us of his most recent ideas. I know that those views will be studied by other right hon. and hon. Members, and like him, I know that it is in the hands of those Members as to which of the recommendations are introduced.

Mr. Winnick: If my hon. Friend takes up one of my points, it should be the Vice-Chamberlain of Her Majesty's Household—the Government Whip—delivering messages. Could we try within the next few months to see what could be done to discontinue that practice, so that Queen's messages are instead notified to the House by the Speaker? That should not be too controversial, certainly among Labour Members, who are in the majority.

Nigel Griffiths: My hon. Friend mentioned majorities, and his idea could become a party political issue as Labour has a majority in the House of Commons. I would be loth to go down that route, as my view is that the House should reach a consensus. He rightly pointed out that the use of a rod—which as a young MP I mistook for a billiard cue—may seem inappropriate to some hon. Members, and that is certainly his point of view. However, the correspondence that I have received in the short time that I have been Deputy Leader of the House of Commons has covered a number of issues, but ceremonial practices is not one of them. However, now that my hon. Friend has raised it, his views will be widely circulated in the House through *Hansard*, and an early-day motion—I hope that it would be an all-party early-day motion—would allow the strength of feeling to be assessed and judged. He knows that the strength of feeling reflected in early-day motions can move things forward in the House.

By raising the subject, my hon. Friend has ensured that the fresh approach that he brought to the House when he was first elected in 1966 continues to this day, as does his concern for ensuring that this place is not hidebound or left behind in the general trend of other institutions to embrace more up-to-date ways of operating. He ensures that such matters are still at the forefront of MPs' minds. With the setting up of the new Select Committees he may feel that the Modernisation Committee should put a high priority on considering such matters and he may want to write to those Committees to ask them to put those things on their agenda. We will be delighted to consider them carefully and respond accordingly.

Question put and agreed to.

Adjourned accordingly at six minutes past Five o'clock.

Westminster Hall

Thursday 30 June 2005

[MR. DAVID MARSHALL *in the Chair*]

Problem Estates

Motion made, and Question proposed, That the sitting be now adjourned.—*[Kevin Brennan.]*

2.30 pm

The Minister for Local Government (Mr. Phil Woolas): I welcome the opportunity to set out what the Government have achieved in turning around problem estates, and to describe what we shall continue to do in the coming years.

The Government have shown clear leadership on this agenda since the earliest days of their first term in 1997. Indeed, my right hon. Friend the Prime Minister delivered his very first speech as Prime Minister from the Aylesbury estate in Southwark to highlight our commitment to bringing jobs, skills, opportunities and ambition to everyone.

In 2001 we launched the national strategy for neighbourhood renewal, and set the goal that within 10 to 20 years no one should be seriously disadvantaged by where they lived. I think that the press referred to it as the ending of the postcode lottery. That was, and still is, an ambitious goal, but it is essential.

It was and is unacceptable that the gap between the most deprived estates and the rest of the country should have grown so wide, with such differences in job opportunities, health prospects and, indeed, life expectancy, educational attainment, housing quality, levels of crime, quality of the local environment and many other factors. How could successful, thriving and sustainable communities be built when so many neighbourhoods suffered from such intractable problems? However, it is also morally, socially and economically wrong to have so many people living on the fringes of society. We knew that urgent action was required.

We often talk about statistics, schemes and funding measurements. We talk about public service agreements, local area agreements, floor targets, the safer and stronger communities fund, liveability and sustainability. We often use jargon that the Minister for Local Government does not understand, let alone his constituents. Therefore I want to describe what the unfairness of social exclusion means.

I recently met a volunteer for a Sure Start scheme—one of the most successful schemes that the Government have set up. I think that there is cross-party consensus on that. The volunteer was the matriarch, if I may use that word, of the estate. She is a grandmother and she is 38 years old. I thought, "What is such a young woman doing in such a responsible position?" That was my prejudice and stereotyping, but she was taking that responsibility. I asked her what she had been doing that evening. She said that she had just visited a flat on the estate where a six-month-old baby girl had been left alone for several hours, was lying in a urine and excrement-stained nappy, had not been fed and was clearly distressed. The baby's mother was walking the streets of Manchester earning a living to pay for a heroin addiction.

A colleague from Liverpool this week told me of an attack by feuding gangs on a flat in his constituency, which left a terrified family waiting three hours for a police response, only then to be interviewed in the police car because the police themselves were afraid to leave the car and go into the estate.

Examples such as those are unfortunately too frequent. Hon. Members on both sides of the House will recognise such stories and others of witness intimidation, loan sharks and money laundering—often enforced by violence—and circles of despair involving tranquilliser addiction, strong lager and other alcoholic drinks, domestic violence, dysfunctional relationships and public servants wanting to leave areas to get new jobs as soon as possible. The list goes on. That is the reality of life for too many people in our most deprived estates.

In the middle of that crucible, we have to stir in the chemicals of community politics. There is cynicism about the intentions of politicians. There are jealousies and rivalries between individuals, families and different groups. The daily struggle to maintain involvement and commitment is an obstacle for volunteers and participants. The here today, gone tomorrow media can turn up to cover a story after months, if not years, of hard work by community participants, local authorities and other agencies, only to trash again the reputation of an estate in a simple headline or news bulletin.

Those are the problems. Sometimes, because of what I call estate politics, there are rival points of view. A local rent-a-mouth can trash the work of the residents association, MP, council or other representatives, and set back the reputation of the estate, with the consequence that it becomes more difficult to develop lettings policies and attract mixed communities. We are working to break those circles of deprivation, as well as improving the economic and social situation.

Estate politics can be brutal, frightening, frustrating and spirit breaking, especially when one comes up against organised crime and all that goes with it in some of our worst areas. However, it can also be exhilarating, rewarding, real fun and successful. Why? Because the people involved in trying to improve their estates—the ones who are prepared to stand up and say that they will not tolerate the mess, the ones who respond positively and say, "We can do something about this"—are some of the most wonderful people in our country. I pay tribute to them and I am sure that hon. Members of all parties will want to do the same.

When I talk about PSAs, LAAs, floor targets and the rest of the jargon, I ask the House to bear in mind the reality of estate life and the decency of the overwhelming majority of people who live there and want to turn the estates around. The Government are the friends of those people. We are at war with estate deprivation. We are fighting that war with the residents, not against them, and we are determined to win.

Let me report some progress. By 2001 we had started to support the most disadvantaged communities, for example, by helping people move off benefit through the new deal programme of welfare to work, by transforming the quality of social housing and by

[Mr. Phil Woolas]

working to raise standards in health and education. However, even then it was clear that we needed to do more to narrow the gap—to address the inequalities in health, life expectancy, job chances, educational attainment and quality of life.

Since 2001 we have launched a series of programmes to support neighbourhood renewal. They include having given over £4 billion-worth of regeneration funding directly to communities through the 88 neighbourhood renewal fund areas. We also have 39 new deal for communities partnerships targeting specific areas, most of them within the NRF areas, and 35 neighbourhood management pathfinders looking at how we can empower neighbourhoods, and some 245 neighbourhood warden schemes. There are other funding routes, and we have invested £552 million in schemes to address the problems caused by low housing demand and abandonment in nine areas.

Often when we talk about these schemes we see a plethora of initiatives, acronyms and language that can be difficult to get our heads round. These schemes matter on the ground. They are turning around our problem estates.

That investment has paid dividends. Areas with neighbourhood wardens have seen a 27 per cent. fall in crime while there have been slight increases in crime in similar areas without wardens. Many new deal areas have also seen real improvements. Let me give some examples. Unemployment in the Bristol NDC area is falling faster than the city average and fell from 12 per cent. to 9 per cent. over a three-year period. Permanent exclusions from schools in east Brighton have fallen from 15 to five over a four-year period. Those are not huge numbers but there has been a steady fall and a steady closing of the gap in inequality.

NDC funding in Newcastle has created 301 jobs; it has helped 530 people get into a job. Some 816 have obtained qualifications who would not otherwise have done so. The gap in recorded crime between the NDC area in Bradford and the rest of the district has been reduced by 84.9 per cent. In other words, five years ago people living in the NDC area in Bradford were 90 per cent. more likely to suffer crime than those living in other parts of Bradford. Such inequalities are unacceptable to the Government, which is why we are targeting them.

We asked people in the Kensington NDC in Liverpool whether they were satisfied with the quality of the local environment. We tracked those measurements over the years in all those areas. Satisfaction rates in those areas have more than doubled. Our strategy has been described by some as search and destroy. We are searching for and destroying social exclusion. We now have indices of multiple deprivation called super output areas. It is a lovely title, I know, but it means that we can now identify pockets of poverty at sub-ward level in addition to the area, ward and borough level. That is helping to target and destroy that discrimination and social exclusion.

Mr. Andrew Love (Edmonton) (Lab/Co-op): In relation to super output areas and neighbourhood renewal funding, it was always the intention that neighbourhood renewal funding would be a long-term support for the most deprived neighbourhoods. I understand that the Department is reviewing the future funding on neighbourhood renewal. Can my hon. Friend the Minister give deprived areas such as mine any reassurance that they will continue to be funded or will receive some transitional funding so that the work he is ably outlining this afternoon may continue?

Mr. Woolas: I want to pay tribute to the work of my hon. Friend in campaigning on this issue. He has rightly recognised the paradox of regeneration strategies. Simply put, when they work the area is lifted out of the deprivation indices and so may not qualify for the money in future. I know that it is a problem that the hon. Member for North-East Bedfordshire (Alistair Burt) has grappled with in his professional capacity. My hon. Friend rightly says that consideration of the future funding of the neighbourhood renewal schemes is going on at present. He will understand that I cannot pre-empt those announcements. First, it would be wrong to do so and, secondly, decisions have not been taken as yet.

The Government and the departmental advisers are aware of the damage that can be done by dislocating funding streams. When an area is coming out of deprivation or has had problems that have worsened, one has to consider whether the funding formulas, which obviously have to be fair, should take that into account. I have already listened to the representation made by my hon. Friend on behalf of his constituents in the run-up to the decisions. The only reassurance I can give him at this time is that the Department and the Government are well aware of his point.

Alistair Burt (North-East Bedfordshire) (Con): Before the Minister leaves this point, will he address something similar? I refer to the problem of time scales, not only for putting resources into an area for the work that needs to be done, but for measurement. With some of the areas that we are concerned about, it might be some years before we know whether long-term, sustained improvements have been made. That is a difficult situation, because it will not be possible for the Government to sustain the original level of funding right through to the end of the period, at which point someone might be able to say, "This has been a success." Looking at the studies on renewal issues, I am aware that if too arbitrary a time scale is used to say, "We've done it", it might not be long enough. Will the Minister assure hon. Members that long-term recognition of sustainability will be built into calculations, so that areas will not be left unlooked-at for another generation—whether or not the original funding can remain the same—to ensure that initial improvements have been continued?

Mr. Woolas: The hon. Gentleman makes a valid, sensible point. The other side of the coin is that if an area is perceived to have been regenerated because it has met some targets, withdrawing funding could lead to an immediate reversal. That is why the buzz word "sustainability" is so important.

The NDC is a 15-year programme. The neighbourhood renewal fund, on which it is anticipated that we will make an announcement in the next few weeks, will be for a two-year period. Bearing in mind the

points made by the hon. Gentleman and by my hon. Friend the Member for Edmonton (Mr. Love), I would say that sustainability must be a major consideration in the allocation of the funds; otherwise, the danger is, as the hon. Gentleman says, that the improvement is self-defeating.

I shall draw a general point from the points that I have listed so far, which is that it is not only the areas involved in the neighbourhood renewal strategy that are intended to benefit; there is a much broader, national interest in turning around deprived areas, whether that has to do with less crime, better educational attainment, more people in work or whatever. All those things benefit the country as a whole for two reasons. One is the common-sense reason that if there is less crime on an estate, fewer resources are required from the police and the other is criminal justice services.

Let me give some statistics. A child is five times more likely to be killed in a road accident if they live in one of the 88 neighbourhood renewal fund areas than if they live outside those areas. Half of all crime in England takes place within those 88 areas. Someone is more likely to wait longer for housing benefit and therefore the ability to move from welfare to work and to sustain their family, if they live in an NRF area than if they live outside those areas. About half of all deaths by fire in this country happen in an NRF area. That is the scale of the inequality that affects the people who live in those deprived areas, but the benefits of addressing and solving the problems are seen throughout the country in terms of resources saved and the ability to put resources into other areas.

There is another reason. If someone lives, for example, in what I think is called the Bridge ward in Nottingham, they have only a 5 per cent. chance of getting five GCSEs. If someone lives at the other end of Nottingham, in what I think is called the Wollaton ward, they have an 85 per cent. chance of getting five GCSEs. None of us believes that the children of the most deprived ward in Nottingham are inherently less intelligent than the children of the richest ward. None of us believes that—it cannot be true. It may be that a child in that poorest ward—or a number of children—will be successful in education, if they are given the opportunity. They may go on to university, get a degree, become a successful scientist, get a Nobel prize and bring riches to our country. The point of our strategy is not—*[Interruption.]* My reference to Nottingham invokes an immediate response in the form of my hon. Friend the Member for Nottingham, North (Mr. Allen) entering the Chamber, for which I am grateful. It may be that that child in Nottingham, living in that deprived area, will bring wealth and opportunity not just to himself, but to our wider country.

However, targeted area-based programmes alone will not turn around the entrenched problems of many of our most deprived communities. We also need to ensure that key public services work most effectively in those deprived areas. As a result, we have the national public service agreements, to which I have referred. They have specified improvements that must be made in those areas, ensuring that a fair share of the increases in funding to public services goes towards improving those areas. That is a major step change in Government policy, as mainstream public spending must be more effectively targeted.

Mr. Love: One of the biggest concerns about area-based initiatives has been the plethora of different initiatives from different Departments, which do not make much sense to local communities. I know that, in the past, the Department has said that it will rationalise all those area-based initiatives. How is the Minister getting on in making sense of what happens at local level to the people who actually live there?

Mr. Woolas: My hon. Friend's intervention is extremely timely in relation to the next paragraph of my speech and I am grateful to him for that. It shows that he is following the issues closely and I commend him for that.

Last week I was able to announce the second phase of local area agreements, which I shall spend a few moments in explaining. We have announced that our goal is for all areas to have a local area agreement by 2007. The second wave that we announced last week means that there are now 86 local area agreements, covering all top-tier authorities. In essence, a local area agreement brings funding together, so that the public agencies work through their local strategic partnerships to ensure that we move away from the confusing situation in which there are not only huge numbers of funding streams, but high numbers of performance indicators, meaning that agencies and public servants too often are looking over their shoulders rather than looking at the front-line delivery.

As I said to the *Local Government Chronicle* conference last week, I believe that local area agreements will bring about a revolution in local area funding. They will cajole, if not force, local authorities and other public service agencies to work together. They will, whether through pooling or aligning the money, clarify what is available. They will diminish ring-fencing to a substantial point although, from some points of view, there are dangers in diminishing ring-fencing. Most of all they will mean that all the agencies, whether those are voluntary sector agencies, private partners or public sector agencies, will have to face the same direction, through a public service agreement.

I think that rolling out the local area agreements and speeding up the programme will bring about huge benefits. Targeted programmes, more effective mainstream programmes and the efforts of front-line staff have led to significant progress. For example, positive progress is evident in education across a range of measures. The gap between the average pass rate for five good GCSEs in the 88 neighbourhood renewal fund districts and England as a whole has narrowed. We are succeeding in improving educational attainment. The gap in achievement for numeracy and literacy levels for 11-year-olds has also shrunk. Hon. Members may remember that our goal is not just to improve attainment levels but also to narrow the gap between the English average and the neighbourhood renewal fund areas.

Most pleasingly, employment rates have increased across the country and the gap has narrowed between deprived areas and the rest of England. In addition, new ways of delivering support have been put in place with more power to local partnerships and an increased focus on community consultation and engagement. Someone said, "Lots done, but a lot more to do," and that is true of the neighbourhood renewal fund strategy too.

[Mr. Woolas]

Four years after the launch of the strategy, and although we have achieved a lot and changed the attitude of many people, the document "Making it Happen in Deprived Neighbourhoods", which was published earlier this year and charted the successes of the strategy, acknowledged that there was still more to do to create sustainable communities free from the blight of the sort of deprivation and exclusion that I described in my opening remarks.

The No. 10 strategy unit has recently made an assessment of how we are progressing and has made recommendations for the future. It reported that, although progress has been made, substantial challenges remain. For example, 8 million people— more than 15 per cent. of the population—still live in deprived areas, using objective judgments. More than 70 per cent. of the minority ethnic population in England live in those deprived areas. The challenges that remain are huge.

The report also made it clear that area-based deprivation is caused by a combination of factors that form the cycle of decline and that we need to build on key lessons learned since 2001. Therefore, future action will focus on three things. First, it will focus on revitalising local economies by tackling unemployment and raising economic activity.

Economic growth and a thriving private sector are crucial to sustainable regeneration, so we are now engaging successfully with business through a number of projects. The business brokers scheme has helped to bring businesses together with the public sector. The underserved markets initiative is attracting investment into deprived areas. Many of our partners in business are working with us on that. Examples include Merrill Lynch working in Tower Hamlets and, in Yorkshire, Yorkshire Water helping to provide jobs and improve skills in Bradford. The Co-operative bank is, as one would expect, playing a key role in the scheme by, for example, providing training opportunities to unemployed people in Skelmersdale.

The new £300 million initiative known as the local enterprise growth initiative was announced by my right hon. Friend the Chancellor in the March 2005 Budget. It is hugely significant. It will encourage local authorities to develop proposals for increasing enterprise and economic opportunity in deprived areas and will further enhance private-sector involvement in local economic regeneration.

We are not starry eyed about the project. We know what the lack of the private sector in deprived areas can mean. Often there is a thriving private sector in our worst estates. The problem is that it is illegal and does not pay any taxes. Our goal is to erode that and bring people into legitimate businesses. Often such areas have no private sector. There are some estates in our country where there are no shops. Therefore, local people cannot get jobs as retail workers and perhaps do not have the means to travel elsewhere. Investing in such simple things can not only make a huge difference, but point out to the private sector where there is a market for jobs, and goods and services. Alongside the local authority business growth initiative, which will reward local authorities directly if there is an increase in the number of businesses paying business rates, those two factors can have a big impact.

Mr. Love: I apologise to my hon. Friend for making so many interventions, but I have an interest in this subject. I agree with his comments about the need to ensure that the local economy thrives in our most deprived areas, because that will do more than anything else to raise them from their current status. However, one of the difficulties is that economic regeneration is spearheaded by the regional development agencies—and in London by the London Development Agency—while social regeneration is spearheaded by the local strategic partnerships, with the local authority usually taking the lead role. That is the dichotomy. Although I understand why it must exist, I wonder what efforts the Office of the Deputy Prime Minister and the Department of Trade and Industry are making to ensure that those two agencies gel locally to improve our communities.

Mr. Woolas: Far from regretting my hon. Friend's intervention, I welcome it because he makes an important point. He highlights the potential dichotomy that all Governments have faced—I know that the hon. Member for North-East Bedfordshire is familiar with this point.

Economic regeneration and growth, for the country as a whole, require Government initiatives to look at where growth potential is greatest. For example, this week I visited the Park Royal partnership in north-west London, which is the largest industrial estate in Europe. The estate provides some 40,000 jobs and is home to around 19,000 businesses. It is a powerhouse, not only of north-west London but of UK plc. The Government and the ODPM are investing in that industrial park, because that is where growth is strong and where jobs are being created. We are trying to ensure that the park gives benefits to deprived areas in north-west London—in other words, that local people get the jobs. That is our first criterion, and the initiative is funded by the London Development Agency.

In social regeneration and turning around problem estates, the emphasis is not on such initiatives, as my hon. Friend the Member for Edmonton said. Distributing the money only on the basis of economic growth would perpetuate the divisions that we are talking about. We are trying to square that circle.

Crucially, there are three points. First, with their roll-out to the whole country, the LAAs now have a fourth funding stream, which is economic regeneration. That will encourage local authorities and other public, private and voluntary sector partners to focus on economic growth. Secondly, the local authority area business growth initiative, which is making significant sums of money available, will provide that incentive to local councils and square the circle of the devolution-centralisation argument about business rates—that is, whether they should be national or local. Interestingly, the local authority with the fastest business growth rate measured by the number of new businesses paying business rates is Bolsover. That is because of the regeneration money that has been put in, and I pay tribute to my hon. Friend the Member for Bolsover (Mr. Skinner) for that. The third element is, as I have said, the

£300 million that has been made available for the local enterprise growth initiative. In other words, we are trying to marshal our forces and target them on social regeneration, to ensure that economic—in the sense of private sector—regeneration is a central part of the process. In many respects, that is one of the most exciting proposals.

Ministers are often criticised, sometimes fairly and sometimes unfairly, for not making announcements to the House before they make announcements to the press, so I am pleased to be able to say that in advancement of the local enterprise growth initiative I can announce here and now that we are making a further £10 million available to eligible local authorities so that they can take stock of their economic potential in the most deprived areas and put forward proposals for use of the local enterprise growth initiative money. I thought that I should announce that initiative to the House first, rather than to those outside, as this debate is taking place. I would have done so anyway, as I am sure my hon. Friends recognise.

Following the stocktaking that we carried out, the second purpose is improving housing and the local environment, and reducing concentrations of disadvantaged households in order to have better housing, higher quality design and better places to live and work.

Our five-year plan "People, Places, Prosperity" set out earlier this year the action we will take to ensure that everyone has a decent place to live—places they are proud of and respect, and where antisocial behaviour and misuse of the local environment are not tolerated. We are encouraging more intensive housing management, which I believe is one of the most important factors, in the most deprived neighbourhoods, to bring about better management and maintenance, which will help to reduce crime and antisocial behaviour, leading to the increased popularity of the areas concerned and greater demand for housing there.

Mr. Graham Allen (Nottingham, North) (Lab): I thank the Minister for his generosity in giving way, especially as I did not arrive in the Chamber until after he had begun his speech. This is one of those occasions when hon. Members watching television in their rooms can be encouraged to attend a debate, as I was when I heard some of the sensible things that my hon. Friend was saying.

Does the Minister accept that wherever we have put a human face on the Government's intervention in problems on estates and elsewhere there has been a high success rate—for example, where we have encouraged bobbies on the beat, police community support officers and neighbourhood wardens?

The Minister reminded me that in the city of Nottingham the arm's-length management organisation scheme—Nottingham City Homes—is up and running. It did exactly what my hon. Friend said and created patch managers, who have between 300 and 400 homes under their wing. They are directly concerned, hands-on and well known to the people there. Everywhere we put a human face to deal with these problems people respond. They are in touch with others and it makes a real impact on the ground, as opposed to some of the partnership strategy, airy-fairy acronyms we have got used to over the last 10 years. I encourage the Minister to carry on in that vein and to put real people in real jobs on the ground.

Mr. Woolas: I am grateful to my hon. Friend for those comments, especially as I referred to his constituency earlier. I add to his remarks by saying that last week we announced a further 61 private finance initiative and ALMO schemes, which will invest another £3 billion to tackle more than 125,000 non-decent homes. One of this Government's great successes has been to make people's homes better. Like my right hon. Friend the Deputy Prime Minister, I acknowledge that our priority has been to make those homes decent rather than to build extra social housing—we have done that too, but not as much as we could have done had we not prioritised decent homes. But that is the right decision, and I say that as someone who used to live in a house that was not decent. Tenants will recognise that.

I shall draw my remarks to a conclusion, Mr. Marshall, as I have spoken for longer than I intended and I want other hon. Members to be able to contribute.

The evidence shows that the high visibility of wardens, police community support officers, estate caretakers, Sure Start workers and volunteers on the estate, combined with a sense of ownership through what we call neighbourhood empowerment—basically, putting together residents with suits—can dramatically improve an area. Those who think that their area is better off and who want to increase that measurement should put wardens, PCSOs and other high visibility workers in there; they will find that it works. I am sure that hon. Members on both sides would agree.

With the range of initiatives that I have outlined, we have refocused our policy. We are determined to plough ahead with our strategy. We want local public service agencies to work together. We believe that it will improve clarity for neighbourhoods. We believe that it will improve the services received by individuals on those estates. The Office of the Deputy Prime Minister, which is spearheading that approach across Government, will use the local area agreements to ensure better co-ordination across Whitehall. We will need joined-up Government if the strategy is to be effective, but most indicators show that the gap between the most deprived areas and the rest is narrowing, and of that we can be proud. We know that many of our estates are intolerable for those who live on them, and we are determined to win the war against deprivation.

Thank you, Mr. Marshall, for allowing me the freedom to speak for longer than I intended. I apologise to the Chamber if I have tried Members' patience.

3.12 pm

Mr. Iain Wright (Hartlepool) (Lab): It is a pleasure to follow the Minister. I have never before been called to speak this early in a parliamentary debate, so I can happily delude myself that my parliamentary seniority has increased.

I start by saying how much I agree with the Prime Minister's pledge, to which the Minister referred, that by 2010 no one should be seriously disadvantaged by where they live. I was shocked to hear the Minister say that about half the crime in our country occurs in the 88 neighbourhood renewal fund areas, of which

[Mr. Iain Wright]

Hartlepool is one. However, I am pleased that he said that the war on problem estates will be won. I am happy to report that crime in Hartlepool is down by 25 per cent. over the past 12 months, so the war is being won there.

The objective that no one should be seriously disadvantaged by where they live has to be at the forefront of the Government's domestic agenda, so that we fulfil the principle that everybody, whether they live in Henley or in Hartlepool, can achieve their potential, and that residents of Kensington high street and of Kendal Road in my constituency are all free from fear of crime, have a clean local environment and have the same access to public services and opportunities for employment.

I shall concentrate on two points. First, I shall identify the indicators that show that an area is in decline. Secondly, I shall outline some of the positive things that I have seen in Hartlepool, which have produced real benefits for the so-called problem estates, and which I hope will provide the opportunity for my constituency to receive even more money from the Government.

The need to turn around problem estates is the consequence of decades of neglect and disinvestment. Generation upon generation of families in certain areas of my constituency have been left on the scrapheap in the wake of industrial decline, and by the policies advanced by Governments in the 1980s and 1990s. The attention that the present Government have had to pay to neighbourhood renewal is partly the result of neglect by previous Governments.

Turning around problem estates is very expensive. I would much rather spend the rewards of sustained economic prosperity that this Government have worked for on health and education, so I am extremely interested in pointers that outline the factors that identify an early decline in estates. That area has been addressed by the Royal Institution of Chartered Surveyors, which has published guidance on how to identify neighbourhoods at risk of falling into decline. Its 12 indicators of decline are not complex mathematical formulae, but simple common sense. Signs of decay include high levels of litter and graffiti, an empty property rate of 4.5 per cent., an increase in rented housing, low voter turnout in elections—below 15 per cent.—poor academic attainment, higher than average rates of unemployment and more than 200 recorded crimes a year per 1,000 residents.

These indicators should be monitored by local authorities and other agencies, and when they are triggered, agencies and government should move in together swiftly to stop the rot. The policy of "zero tolerance of grot and broken windows" should be embraced throughout the country. The royal institution states that

"decline doesn't begin across a neighbourhood instantaneously; it tends to start in pockets. Once an area falls past a certain point it is difficult and very expensive to turn things around."

Quick and effective intervention on relatively minor issues will save billions of pounds in the long run.

I have seen such decline in my own constituency. Close to the town centre in Hartlepool is Thornton street, a beautiful row of large, Victorian terraced houses. The decline started slowly but then accelerated. Litter and broken windows led to an increase in rented properties, and some homeowners were stuck in negative equity as the private landlords moved in. Now, the decline is horrific to see, and the local new deal for communities, which has a 10-year programme to spend some £50 million in the constituency, is having to spend millions of pounds to regenerate the area. I cannot help thinking that that might have been avoided had the authorities moved in quickly at the first hint of decline and had the Government provided them with the money to deal with the problem early.

At the moment, cash for regeneration is concentrated on the most deprived areas. I do not suggest that that policy should be changed; Hartlepool has benefited from neighbourhood renewal funding and from the new deal for communities, and this week it was one of the areas to receive a local area agreement, for which I thank the Minister. It is right that we lift the most deprived areas out of poverty and misery, but I would like the Government to consider providing additional resources to tackle estates that are not yet classified as deprived, but are at risk of becoming problematic. I hope that that is something that he will consider.

I do not want to spend a great deal of time on the following issue, as it deserves a debate of its own, but I make the point that the Government need to do more to tackle problem private landlords. There are still landlords living here and abroad who have bought portfolios of property without having a clue as to where their houses are. Such landlords have never visited their properties and continue to draw housing benefit without any regard for the social fabric of the local community. I urge the Minister, in conjunction with the Minister for Housing and Planning, to address the issue, so that problem landlords are obliged to put something back into the neighbourhoods that they have so often helped to bring into decline.

I congratulate the Government on having provided the resources to enable us to tackle the problem of declining estates. We are having real success in some neighbourhoods in Hartlepool. Let me outline some of the most positive moves. The Burbank estate springs to mind. Five years ago, that estate, which is close to the town centre, had reached an all-time low. It was experiencing exactly the indicators of decline that the RICS mentioned. The estate had been poorly designed in the first place in the 1960s and 1970s, and it provided hiding places and rat runs; it was a good breeding ground for crime. Buildings had fallen into disrepair; residents suffered from high unemployment and poor skills; burglary and drug addiction were on the increase; morale among residents was at an all-time low; and some people became prisoners in their own homes.

The Government identified Burbank as a deprived area and provided new investment through the police priority area and community safety initiative schemes. Further resources were given via NRF moneys. But, most crucially, the residents took charge. Not many did so at first—it was perhaps no more than half a dozen—but they said that enough was enough and began to take charge of their future and that of their estate.

Although I must acknowledge what the Government have done, I recognise that, as the Minister rightly stated in his opening speech, the true heroes are the local residents—residents such as Sheila Dowson, as what

Sheila does not know about Burbank is simply not worth knowing. I am talking about people such as Andrew Thorn, about whom it is said, "If you want something doing in Burbank, or in Hartlepool in general, you ask Andrew", and people such as Clive Hall and Norma Morrish, who are ordinary people doing fantastic things in their neighbourhoods. I am also thinking about residents such as Paul Nugent, who is afflicted in the same way as I am by being an accountant. Despite that affliction, Paul is doing extremely good work in the community and has been a leading light in the formation of Burbank Uniting Residents Together—the BURT group.

The improvements to the estate have been fantastic, and they have obviously been aided by Government money and policies on crime and economic prosperity. Burglary and car crime have been virtually eliminated, new skills are being learned and the general environment has been tidied up. The improvement has been achieved by different agencies—the council, the local primary care trust and Housing Hartlepool—all working together. Crucially, however, it has also been achieved because of the massive contribution of the residents. We are talking not about Government money or services provided to the community and bestowed from on high, but about money and services with and for the community, with residents shaping policies for the area.

I have mentioned the residents of Burbank, but I could mention many other areas and people in my constituency—people such as John Reid in Owton Manor, for example, or Morris Nelson and Muriel Boreland in Dyke House. That is the key to turning around problem estates. As I said, it is not enough for the Government simply to provide money; elected representatives such as MPs and councillors must engage with the local community and provide leadership to facilitate and allow residents to make the progress themselves.

That is not to say that I want Government money to end. Hartlepool is on the up and has significantly benefited from initiatives such as neighbourhood renewal money and new deal for communities funding. Agencies such as Hartlepool borough council and the local primary care trust can, with the community, produce massive improvements from regeneration cash. I want that to continue, because it is making a difference, but like the Minister, I also want the Government to provide funding to promote communities and allow them to stand on their own two feet.

The country is enjoying the most sustained period of economic prosperity that we have ever enjoyed, but the fact remains that the number of business start-ups per 1,000 residents in the north-east is 23, compared with 40 for the UK as a whole and 62 in London. That gap can be narrowed only through active and intensive involvement by the Government, using the regional development agency One NorthEast to encourage local people to start businesses and give them as much support as possible.

I therefore welcome what the Minister said earlier about the Government's proposed local enterprise growth initiative and sincerely hope that Hartlepool is a key beneficiary. Promotion of enterprise will help to produce full employment in deprived areas and will ultimately, I believe, help turn around problem estates.

3.23 pm

Mr. Graham Allen (Nottingham, North) (Lab): Thank you, Mr. Marshall, for calling me to speak impromptu on an issue that is of great importance to my constituency.

Mine is the classic problem-estates constituency, in that Nottingham, North is made up of seven large former council estates and is the part of the city that people do not visit—the bit without the castle, the football and test cricket grounds, the theatre and the entertainments for which Nottingham is rightly famous. It is the white working class dormitory across the north of the city, and, classically, it is made up of outer problem estates of the sort that my hon. Friend the Minister alluded to.

Some tremendous people work in the constituency, but I want to make a couple of points later about the fact that, at the most chronic end of the spectrum, what people do not have—this is also shown by the deprivation indicators—is the community infrastructure that exists in the constituencies of many other Members. Such areas do not have the same web that involves tenants associations, local activists, neighbourhood watch or even, I might say, membership of political parties. Those things atrophy when the social mix is homogenous and there is no leavening from areas of middle-class housing or from computer-literate people, which many other constituencies have. That means we start from a relatively low base.

As someone who constantly goes on to Ministers about localising initiatives and not doing so much from the top down, I have to face up to the contradiction that my own constituency sometimes needs an injection of ideas and energy from the Government and from outside. Those things are not always there, waiting to be discovered and put in the right consultative framework to tackle the problems. The answers do not always pop up; it is not quite as simple as that.

There are lots of different types and scales of deprivation that we need to consider, and we cannot have a one-size-fits-all approach. What is helpful for the constituency of my hon. Friend the Member for Hartlepool (Mr. Wright) may not be helpful in an area that has even more chronic problems than average. I am worried about how we will develop that, and I do not pretend to have the answer. I am delighted to hear the Minister talking about LAAs and saying that they are being extended, although I missed his remark about whether Nottingham will get one. Perhaps he will let me know whether an LAA is on the way. We would certainly welcome that, and we would bid for the first round. That would help us to focus and find our way forward.

All too often, in the target culture, when the Government impose bright and often very well-meaning ideas from on high, I shudder at the local impact. For example, people might say, "Let's have a street crime initiative to tackle those muggers. We all hate muggers, let's go and do that." But I know immediately that that means that police officers will be sucked out of my outer estates and end up standing on street corners in Nottingham city centre, catching fewer and fewer muggers on a law of ever-diminishing returns. The stats for street crime there have improved massively, but let us consider the volume of crime stats for the same period

[Mr. Graham Allen]

in my constituency, which show why those other stats got better—mine went down. There are other reasons, but that is one.

If, for example, the standard measure of achieving five A to C grades in exams is imposed, that means in a constituency such as mine that a lot of kids who could have achieved a decent number of A to C grades will not be dragged up to that level because teaching time has to be devoted to the strata of kids who can reach the target that the Government have measured and consider right.

Again, I ask for flexibility more than anything else. We live in a highly centralised state where local government has fewer responsibilities and no constitutional independence. While we live in such a state, I hope that Ministers and civil servants will constantly use their power and authority to try to interact more effectively with local government and local agencies. I ask for that because not even the greatest brain in the world, sat in No. 10 Downing street, and not even the Member of Parliament for Nottingham, North, can second guess what needs to be done in specific circumstances and make a better decision than a local councillor, a local neighbourhood warden or a local beat officer on the ground.

Localisation can give us flexibility. Often, we know how to tackle the difficulties of our problem estates. For example, my constituency sends the fewest kids to university of any constituency in the United Kingdom. Our educationists, head teachers, Members of Parliament, councillors and local parents got together in a series of meetings that I convened and thrashed out how we want to progress. Eight out of nine schools in my constituency kick the kids out at the age of 16, but we want to hold those kids on site to do vocational training and education, and some academic education.

It took us a long time to develop that concept locally. We involved everyone and everyone thinks it will work, but we now face the enormous task of trying to convince the national agencies that this is the way forward, because it does not fit a national template. The Learning and Skills Council has a view—often given to it by central Government—that a certain path is the way forward. In recent months, we have all seen the classic example of downplaying adult education and focusing on 16 to 19-year-olds. I do not have a problem with that idea, but that national strategy, well-meaning though it may be, will have an impact in my constituency, where we have joined up our thinking and agreed that the more adults we get into some form of education, the more we will break the culture of adults telling kids that education does not matter. That is superb local thinking, but that local "joined-up-ness" has been blown out of the water by a well-meaning national strategy under which adult courses are stopped because of the redirection of LSC funding.

Mr. Woolas: I acknowledge my hon. Friend's points, and I am sure that hon. Members across the House have examples of difficulties similar to those he describes. I confirm that his area has been given the go-ahead for phase 2 of the local area agreement, the intention of which is to have greater flexibility and less ring-fencing, and to bring together the agencies. I am not familiar with his local strategic partnership, but I imagine that the LSC is involved. I do not say that the LAA will necessarily solve the problem, but it is certainly an acknowledgement of his point.

Mr. Allen: That is welcome news indeed. I thank the Minister for that helpful intervention, and I promise that we will make the LAA work.

In a moment, I shall talk about stability on the front line. I hope that there will be some stability in the Minister's job and that he is in post for more than a year or so. That would help. I would love it if he came to Nottingham to see our plans in operation; we will make the LAAs work. I ask him to keep me to that promise, because I know that my own authority will work hard with its partners to make things work. We are grateful for the opportunity and will prove to him that we are up to it.

I was fortunate to secure a debate on regeneration in this Chamber in September 2004, in which I raised a number of points. I am pleased to hear that the Minister is addressing one of them—the plethora of bodies and initials involved in local regeneration—and I hope he uses local area agreements as an instrument to cleave through a lot of the confusing jargon that exists locally. I do not understand how it all works in my area, and I am into this policy issue.

It would make your head spin, Mr. Marshall, if you were to write down all the various initials on a piece of paper. That is how I feel, and I care deeply about the issue, so I am sure that a lot of my constituents, who want to come terms with these things even though many of them do not have a high level of literacy, will, to be blunt, not be able to navigate their way through the jargon.

I am trying to find a few thousand pounds to kick off the building of a statue of a gentleman called Bendigo, who was the world heavyweight boxing champion. He used to fight in my constituency, but on a hill so that everyone could run away when the Peelers came. Trying to find bodies to chip in £1,000 here or do the consultancy there, or to pay for the artistic impression, is an absolute minefield and very difficult. I hope that, as the Minister continues the good work he is doing in the Department, we will have fewer bodies with which to negotiate, so the bright ideas that come from the grass roots will come to fruition a lot more quickly.

In the September debate, I asked the then Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Corby (Phil Hope), about the area committee structure, which we have in Nottingham. It probably exists in many other places too. The council has sought to devolve power to the areas and wards of the constituency, and that has really impacted on people locally. They would never dare go to our wedding cake council house for a meeting, yet they will go to the local community centre to meet the local councillors, the local bobby and representatives of the local health service and get a few things going.

I hope that the Minister who is here today will consider this machinery of government too. It is not enough to revive local government at the city or urban district level, as that revival needs to go further and genuine power and resources need to follow down to a level where they can make an impact. We are not talking

about skewing millions or possibly billions of pounds one way or another. Often, it is the little bit of match funding that counts—a couple of hundred quid or £1,000 will make all the difference. This does not tie up £10,000-worth of officers' time in the various agencies and the council. We just need someone to sit down at a table with that kitty and agree to make the thing work. I hope my hon. Friend will look at area committees and make action plans from those committees central to how we seek to revive our problem outer estates.

I am not sure about how long I can speak for. I will be guided by you, Mr Marshall. A glower will get me to sit down within a couple of minutes, but I have a few other points to make, if that is acceptable.

As I am sure the Minister has heard before, Nottingham, North is quite unusual in that it is sometimes amenable to a constituency solution. It is homogeneous. If someone landed in any part of the constituency, they would find solid, brick-built council houses with gardens front and back. There are no tower blocks and there is no deck access. Nottingham, North hangs together as a series of estates, and the constituency contains none of the things that Nottingham is famous for.

The one big advantage, apart from the fact that we have the most horrendous deprivation statistics, is that as a constituency Nottingham, North is amenable to an answer. It is therefore also possible to involve Members of Parliament. Obviously I am speaking personally, but I am sure that that happens in other constituencies too. Members of Parliament can be involved and play a leading part in regeneration. I understand that our former colleague who is now a European Commissioner used to be the chair of the local strategic partnership. Perhaps my hon. Friend the Member for Hartlepool will tell us his role in the strategic partnership.

Mr. Wright: Yes, I am chair of the local strategic partnership.

Mr. Allen: Now, whether these things happen because of local knowledge of entrepreneurialism by the Members of Parliament or whatever, this shows that there is a role for Members of Parliament in a broader sense, which the Government might consider and encourage if they feel it appropriate.

The other point that I want to emphasise with my hon. Friend the Minister is one on which he kindly took an intervention: the impact of real people doing a real job in the middle of communities. People are fed up with yet another consultation, strategic plan or partnership meeting. They are fed up with the pile of documentation that is produced, as well as the jargon and the buzzwords. People want action. The best way to get action is through a real person.

People can relate to that. If they can see their MP, that is wonderful, but we cannot be everywhere. If they can get hold of their councillor that is tremendous, but there is a public service army in the background and we need to get face to face with people. I mentioned earlier that we now have beat officers in Nottingham, following our battle to restore them. We have police community support officers and neighbourhood wardens, and, as I mentioned to my hon. Friend the Minister, we now have patch managers on our housing estates. They are real people who can make the connection and get things done.

If someone, in the current jargon, interfaces with—or, as we used to say in Nottingham, North, talks to—a local beat officer, that officer can put them in touch with, say, a benefits adviser. If someone talks to their local neighbourhood warden, the warden can tell them when the council surgeries happen. I almost dread to say it, but in the past year or so I have begun to feel quite optimistic about what is happening locally. People have said to me, "I saw that bloke walking up the street." They may think it was the beat officer, but perhaps it was not. Perhaps it was the neighbourhood warden or the PCSO, and people say, "They are back on our streets. Now and I can go and say hello, and perhaps start to talk to them." That may lead to information being passed on, and just maybe, later on—if we can crack the climate of fear—to someone becoming a witness. This is the way to crack that climate of fear.

I am pushing a big task towards my hon. Friend the Minister. Whenever he talks to his Home Office colleagues who look after the probation service, I want him to say, "Is it possible, as part of the long-running review of probation, to get probation officers out of the castles in the city centre and back to the estates—back with the people they are meant to serve?"

I have been in this House long enough to remember the time when I knew the three probation officers who each covered a third of my constituency. I could pick up the phone and speak to them; we were on first name terms. They would tell me if I was being a chump about a particular person or case, and I could tell them likewise. We could work out an answer. If I wanted someone put away, perhaps, because of what he was doing on one of the estates, for example, they would say, "Graham, this is a housing problem. If you could get Charlie Bloggs properly housed with his family, you would totally disperse the tension in that man's life. He is desperate to make sure that his kids and wife can be accommodated in the same place."

And so it went on. Those officers worked in that way with me, with local councillors and all the other public servants. Now if I have a problem with someone who is on probation, I write. I receive a letter, civil service-style, six months later, from the director of probation in Nottinghamshire. That does not do it for me, or for people on the ground.

Tragically, a case occurred in which there was awful pressure on the probation service, which meant that certain things were missed, and at the end of a very long chain of events—I do not ascribe blame to anyone—a police officer lost his life in my constituency. That might have been avoided if there had been a probation officer on the ground who knew where the person who took the officer's life lived and was able to connect with that person and his acquaintances.

That is, however, a dramatic example that stretches a point. The day-to-day, nitty-gritty interaction between the services is what will build up the web of connections on the ground that I think is important. I ask my hon. Friend the Minister to spread the word and to say to all his colleagues, "Does this course of action put a face on the estates, and put a named, recognisable person out where one is needed? Or is it something beyond local experience and interaction?"

We had a battle to get our beat officers back, and we got them back. The problem that we had subsequently was turnover. That is why I mentioned that I should love my

[Mr. Allen]

hon. Friend to stay in post long enough to pursue to fruition whatever initiatives he comes up with. Exactly the same applies to PCSOs, beat officers, neighbourhood wardens, or patch managers. Once they have built up that local knowledge, they are far more effective than someone new.

Those from Nottinghamshire police force who decide to go off and do something else, whether it is to go to another police force, become trained as a dog handler or whatever, simply disappear. There does not seem to be a formal period of notice to allow staff to overlap and to allow succession. That happens in so many of our public services, particularly in tough areas. Of course, it is hard work. In my constituency, people such as head teachers and nurses all go the extra mile. Why on earth would they work in Nottingham, North if they were not committed people who wanted to do the right thing? Sometimes the stress is just too much and they want out—I understand that—but professionals and managers must ensure that all front-line services have proper succession, so that knowledge can be passed on.

In one of the toughest areas, a number of key people in the drug gangs in the east midlands or even nationally have been arrested. We had a beat officer for five years who knew everyone's name, every family, people's birthdays, the good guys and the bad guys, but he just disappeared; he went off to do something else. There were reasons for that move, but it is incumbent on us all to ensure a degree of stability and proper succession so that we can build up a web or network of local support, not only for communities, but for the services that support them.

I have spoken about the impact of mainstream funding, which I mentioned in a previous debate. My hon. Friend the Minister can chip in money on a relatively low-level basis to help this or that initiative, but if we do not get mainstream funding right, those initiatives could be blown out of the water.

I mentioned adult education and the fact that, for all the right reasons, the LSC is being reoriented by the Department for Education and Skills, and I spoke of the impact of that change. I worked extremely hard to ensure that Nottingham, North was the first constituency to have an education champion—a spider at the centre of the education web who could tell teachers, parents or kids what was on offer; tell people where to go to get a HND course; and tell the few who wanted to go to university how to get a bursary and how to get their parents on to the local campus so that they could understand what their kids aspired to. I and many others spent a long time on that.

Looking at the big picture, however, if for one reason or another we shift education spending worth many millions of pounds, it makes those local efforts as nothing. It means that, while we raised people up again and let them build up something, the big picture moved on over the top. The big money will have closed a school or created schools in less appropriate areas. We must always marry the bright local initiatives that we need to encourage to mainstream funding in order to ensure that things happen.

I am currently working trying to get Nottinghamshire police force to create a neighbourhood watch promoter, a full-time post. The job would be to try and create a proper weft and warp for neighbourhood watch as a first level of intelligence gathering for the police force in a tough area—an area that has no such provision. It is like pulling teeth. I have spent two years trying to get someone to do that job—someone bright and young, an enthusiastic organiser who would leaflet areas, answer the phone and start to build up those connections. Yet again, £1 million will be thrown to Nottinghamshire police force for this or that function, and the small things—the things that really matter in the constituency and more locally—will be neglected. The small things are apparently not relevant when it comes to ticking the boxes that come down the pipe from Whitehall and Westminster. Again, local flexibility and local activity is particularly important.

The next point that I want to raise—you have not glowered at me yet, Mr. Marshall, so I will continue—relates to sustainable funding. I think that the Minister was touching on it when I came in, so I hope that he will forgive me if I am going over ground that he has already covered. I am sure, however, that he is familiar with the person who used to run the Bulwell toy library. The name sounds a bit quaint, but in an area with a lot of single mums and high levels of poverty and immobility, where people are stuck in their homes, one of the best things that we can do is to get toys to kids so that they can learn through play. So, the toy library in Bulwell, which is one of the areas in my patch, provided an invaluable service. Whenever I talked to Lawrence Jackson, however, who happily sacrificed 15 years of his life to keep the library going and expanding, he was spending half his time at work trying to ensure that he would get a salary for his next year of work. He was chipping away at this fund and that fund, with all the acronyms that we talked about earlier, trying to keep his head above water and sustain a project that he really cared about.

Hon. Members in all parts of the House will have examples from their own areas of people who have done something similar. These are selfless people who are desperate to do the right thing and who work really hard. They try to get a bit of money from SRB5 line 1 to add to NRF pocket 3. They wonder whether they can get the LSP to chip in a couple of hundred pounds and get the Greater Nottingham partnership to then add £1,000. They have heard that if they do that, the LSC will add £5,000 out of the pre-April spend that it has to get rid of and that that could be added to what the LEA will offer.

I could go on, but I will not, because hon. Members get my drift. I accept that this is a tough issue for the Government. We will have to make decisions about funding and so will the local authority. The local area agreements will have to say which funding will stop, but also which funding is sustainable and will continue. We need that clarity. It is better for someone to know that they will not be funded at all in 18 months than it is for them to be told, "Maybe you'll be funded and maybe you won't. You've got to work a bit harder to find a bit of money." It is far better if people can work out where their future is so that they can get on and do the job.

I am grateful to the Minister for the opportunity to debate this issue and to colleagues for allowing me to come in and make a contribution. I have one final thought about governmental policy as regards making our problem estates less problematic. Since 1997, we

have focused on antisocial behaviour, and rightly so, given the pain that we have heard about on our estates. I commend the Government without reservation on their efforts to bring antisocial behaviour under control. We in Nottingham have, I hope, made a contribution in many other areas, and particularly towards tightening up antisocial behaviour orders. I do not know whether our "Respect for Nottingham" campaign led the Prime Minister to coin a similar phrase, but we are certainly proud of the efforts that we have made with the Government to tackle antisocial behaviour.

I shall leave one last thought with my hon. Friend. Having known him for many years, I know that he will take it seriously, and I ask him again to consider discussing it with colleagues. Every time we tackle antisocial behaviour, we must also seek to promote social behaviour. By that, I mean building a sense of values and decency into our young people—and there are many of them on my problem estates. I am talking not about old-fashioned "hang 'em and flog 'em" discipline, but about self-discipline, self-policing, pride, respect for others and values. Many young people go to school blissfully unaware of the idea of respecting others. As many Ofsted reports have said about my constituency, many children are incapable of speaking in full sentences. When they go to school, many of them are incapable of recognising numbers, let alone adding them up. There are people who always settle arguments by resorting to violence and who cannot interact with and relate to other people of their age.

There is a raft of issues that I would like the Minister to consider, because they are central to solving the problems on difficult estates. The issue is about giving youngsters the right emotional intelligence within the national curriculum, and doing for social behaviour what we have done so well for literacy and numeracy. We must ensure that youngsters who will become parents in two or three years' time have parenting classes and understand what parenting means. We must give youngsters the social toolkit to enable them to work their way through and take advantage of the very good education system at primary and secondary level that we have created in my area since 1997. I am very proud of that.

Even if my hon. Friend the Minister enjoys some stability and is in the job for a couple of years, however, that time scale will not suit the work that needs to be done. It will be a generation before we see the fruits of that work, but unless we tackle social behaviour now and promote it with the vigour with which we have tackled antisocial behaviour, in 15 or 20 years' time we might still be talking about the problems of our estates.

3.56 pm

David Howarth (Cambridge) (LD): No one who heard the Minister could doubt the Government's ambition in respect of the programmes that we are discussing or the success of many of them. However, the contributions that we have heard from the hon. Members for Hartlepool (Mr. Wright) and for Nottingham, North (Mr. Allen) raise the question of the balance between central targets and all the burdens that they impose, and local flexibility and autonomy and the ability of local communities to work out their own solutions. Central imposition and central funding, no matter how good the ideas and how inspired the thinking behind them, can lead to a disempowering of local people—to their being given the impression that solving their own problems is somehow beyond them and that someone else has to come in to solve the problems for them.

I particularly thank the two hon. Gentlemen for saving me a lot of time, because they mentioned many of the points that I was going to raise. I shall therefore be much briefer than I feared I would be. The hon. Member for Nottingham, North made a point about the density of social networks on some estates and the problem of localising—to whom and to what? I am talking about the lack of a local social infrastructure with which to engage. Many estates need a vast amount of community development before institutions can be created in which people can participate.

The hon. Gentleman mentioned the institution of area committees. One of my last acts as leader of Cambridge city council was to institute a system of area committees in my city. One thing that has to be taken into account in creating such a system is when to do it. If it is done too early, before any community development has been achieved, it threatens to be simply a council institution that does not engage the local population. However, if people tell themselves that they have to get lots of local institutions and social networks going before they devolve to area committees, they will often be disappointed: they will never get far enough and will never end up doing it. Devolution to area committees is often part of the creation of local networks because it is a focal point for people to come together to discuss local problems and to argue with local councillors, perhaps initially in a confrontational way, which eventually becomes more consensual.

The experience of many councils is that to begin with not many people turn up to area committees, and those who do are cynical or angry, as the Minister described. But after a while, especially if the area committees tell people what they have done, and if people can see that suggestions they have made have produced action, that cynicism starts to break down, there is consensus and people solve problems together rather than just complaining about them. The hon. Gentleman was right to say that it illustrates the point that one size does not fit all. A good deal of flexibility is needed to allow different areas to choose how to decide matters.

The hon. Member for Hartlepool raised the issue of basic services, which I was going to discuss. Much of what is needed on many estates is simply the better delivery of basic things. The hon. Gentleman described them when he spoke about the signs of decline. For example, how good are housing repairs, how good is street sweeping, how fast is graffiti removed from walls, how quickly are abandoned cars removed from the streets, how long does it take to do the repairs when a local playground is vandalised?

The hon. Gentleman mentioned the important matter of houses with broken windows. If windows are boarded up and estates are allowed to look as if they are neglected, it feeds back to people that no one cares about the place, and they ask why they should care about it.

These services are continuing services. In the jargon of local government, which I am more used to, they are revenue services: they need continuing funding. There is a problem that national Governments tend to think in terms not of permanent funding but of time-limited

[David Howarth]

initiatives of two, three or four years, whereas the underlying problems need funding for ever. That means that the agency that should be dealing with the services is local government and the question is whether the Government trust local government enough to allow it to engage with the problems on a long-term basis and not just on an initiative or capital basis. Both hon. Members made the important point about the stability of funding. If there is only capital funding or initiative funding it is not stable enough.

I listened with great interest to what the Minister said about targeting. The programmes he mentioned are all targeted programmes. The hon. Member for Hartlepool said that there was a particular problem with targeting—that of marginal cases and preventative expenditure. I raise a further problem: there is a difference between targeting the redistribution of pure resources—money—and targeting public services, because if one area is targeted, it un-targets another. One of the most important things that I learnt from the Audit Commission was that any politician can say what their priorities are, but to govern they must know what their priorities are not and what they will not spend money on. To target public service expenditure means to take it away from other places.

There is a danger that targeting can go too far, although we have probably not reached that stage yet. It can lead to incentives for people to opt out of areas that are not targeted and from which resources are being taken away. That is a process that the Department for Education and Skills has already recognised. The Minister should be aware that there are limits to how far we can target without losing consent for public expenditure in general and storing up problems for the future.

I also listened with interest to what the Minister said about the dichotomy and tension between growth and regeneration. For my constituency, growth is our great opportunity, but also our great problem. However, I do not think that the Minister managed to reconcile the two issues completely. What he suggested would achieve some local reconciliation in certain areas, but the question is whether it would reconcile national policy as a whole. National policy must take into account the fact that economic growth leads to problems in the areas in which it takes place and that infrastructure spending needs to take place not only in areas that have problems due to a historic lack of economic success, but in areas where economic success causes current problems. The tension between those two is still completely unresolved.

The tension is especially unresolved under a system of local government finance in which central Government attempt to take all the big decisions, particularly those about capital spending. The Minister mentioned business rates and, although I do not want to get into that, the main tax on business and business property is, in effect, a national tax. We do not have the incentives that exist elsewhere, whereby local government can borrow against the future revenue streams that it would secure if there was a local business property tax.

The hon. Member for Hartlepool talked about the fear of crime, as did the hon. Member for Nottingham, North towards the end of his remarks. I also want to talk about that, going from the macro scale to the micro scale. One of the main problems that public representatives at all levels of government experience is witness protection. Much of the legislation that emerges from this place requires someone to give evidence in court against someone else. The central problem that we all experience is that people do not want to do that. Sometimes people fear immediate retribution. On other occasions their anxiety is more amorphous—that something might happen to them because they have heard of something happening to somebody else. That is a fundamental problem with using legal initiatives to solve social problems. I have never thought of an answer to it, but it is a limit to the possible success of legally based initiatives.

The hon. Gentleman also mentioned antisocial behaviour. Work has been conducted locally on antisocial behaviour, involving acceptable behaviour contracts, getting people together to solve problems individually and ASBOs-plus, whereby people not only receive an ASBO but an attempt is made to solve the underlying problem. One of the things that has emerged from that work is an important matter for joined-up government, namely, that in many cases—not all, but enough to be worried about—the underlying problem is not one of criminality but of mental health. There needs to be a lot more joined-up government involving the Office of the Deputy Prime Minister and the Department of Health, and much more emphasis placed on mental health by the Department of Health than over the past few years.

In the end, the issue comes down to empowerment: to empowering residents to solve their own problems, to entrusting tenants to run their own estates, to encouraging tenant co-ops and perhaps even to ideas, such as community involvement in local justice. A system of restorative justice could operate, under which local miscreants are brought before their victims—the local community—and asked to make reparation by working for the local community, on the basis of what local people have said, as a way of diverting those miscreants out of the criminal justice system.

Mr. Allen: I am following the hon. Gentleman's speech with great interest and, so far, I have found little to disagree with in his remarks. Will he also take the chance to draw the role of the criminal justice system into the debate about regeneration and problem estates? All too often, people on such estates feel remote from the courts, the Crown Prosecution Service and the probation service. I hope that the Minister will encourage his colleagues—not least his colleagues in the Department for Constitutional Affairs—to reunite the legal system with the people that it is meant to serve.

I can give one minor example of that, from my own city of Nottingham. We are trying to put in place a person who will receive phone calls from the tenants' associations—and anyone on the ground—if, for example, they have had a problem with graffiti on their subways. That person will then be responsible for getting young offenders who have been given community service hours out to deal with that problem quickly. So, within 24 hours, everyone will see that the criminal justice system is working for them on the estates. All of a sudden people will think, "It is not the courts, way over there. I reported something happening on my estate, and the criminal justice system works for

me." If the system does that, we are halfway towards getting those people, in future, to stand up and give evidence in a trial for something more serious.

David Howarth: That is a good example of something else that the hon. Gentleman talked about. I want to finish with the point that he made about humanising such systems. He is right that there is too much distance between the bureaucratic systems and the alphabet soup that he mentioned, and what real people on the ground want and need out of the various organisations.

The example that I shall give is from my own city. At one stage, the council decided to set up a system of local odd-job men. A group of people were employed to fix things locally—to mend fences or benches that had been vandalised—and to get little things done. That system turned into something much more important than it was originally intended to be—a system of neighbourhood rangers, in which people could identify the ranger and talk to him. The rangers then became integrated with the criminal justice system because they knew people and the police would talk to them. Thinking in terms of people and encouraging people to interact with one another, often gets better results than expected.

Finally, I ask the Minister, and the Government in general, to remember that systems usually fail, but people often succeed.

4.13 pm

Alistair Burt (North-East Bedfordshire) (Con): I welcome the opportunity to speak in this debate and the fact that it has been called. I thank the Minister for his opening remarks and the hon. Member for Cambridge (David Howarth), who spoke for the Liberal Democrats, for his remarks. I do not know whether this is the first outing of the hon. Member for Cambridge on the Front Bench, but it is the first time that I have heard him and I enjoyed his contribution very much. I will also make reference to the contributions of the hon. Members for Hartlepool (Mr. Wright) and for Nottingham, North (Mr. Allen).

There are few issues in contemporary social politics that arouse the sorts of emotions and intense scrutiny as problem estates and, more particularly, those who live on those estates. The stories that emanate from those estates play to a whole range of concerns in modern Britain, and can be used to justify almost any social standpoint, from those concerned with moral and social decline, whose solutions lie with greater discipline, enforcement and responsibility, to those who cite systemic social exclusion that should be remedied by wider-scale actions of society well beyond the estates. However, behind the lurid tabloid stories and the social commentaries, there is genuine misery that none of us can take for granted. That raises concern from across the Floor, as has been evident from the excellent contributions that we have heard this afternoon.

The misery that we speak of takes many forms: the despair of those who feel trapped by situations beyond their control, where loss of health, job or family is compounded by their physical surroundings; the fear of those who see or hear the activities of others that frighten them, from their neighbours to unidentified youngsters apparently beyond control; and the impotence of those who struggle to maintain their dignity amid such difficulty and find that their post code or address means that they are condemned without justice. A million people may be marching this weekend in pursuit of justice abroad, but impoverishment is closer to home than many would believe. There is much less of a feel-good factor in tackling problems on our doorsteps than in trying to tackle them far away.

I am delighted to speak as the new shadow Minister with responsibility for communities and regeneration, and I look forward to a close association with the Minister and his colleagues during this Parliament. As he was good enough to indicate, this is not an entirely new area for me. During the 1992-97 Conservative Government, I was one of several sponsor Ministers who had responsibility for certain cities and were given oversight of elements of the city challenge programme. I was proud to be the sponsor Minister for the cities of Manchester and Salford between 1994 and 1997, with city challenge responsibilities in Bolton, Blackburn and Wigan, as well as Hulme and Moss Side in Manchester.

I do not believe that the modern world began in 1997, and I will resist strongly those who occasionally and unkindly suggest that it might have done. The Conservative Government of which I was part undertook some excellent regeneration work on both a large and small scale, trying new things and building a platform on which the Government have built. A growing number of Conservative local authorities, such as Coventry, are also continuing to build, and I enjoyed my visit to Coventry just last week.

We were instrumental in breaking down some of the problems that had been endemic in estates for many years and in creating situations that are taken for granted by local authorities of all political complexions now much more than they were 20 years ago. That included the breaking up of monolithic local authority housing estates, and partnerships with the private sectors and tenants. All those developments were pioneered, and rightly so. Some credit for what we tried to do would be helpful, although that is not always the way that the Government work.

In his book "No Longer Notorious" on the revival of Castle Vale in Birmingham, Adam Mornement studied the changes in the area and the evolution of the housing action trust from an aggressive Conservative policy to an exemplar of new Labour thinking. He said that the process was a victory for the democratic process, and I agree. We sometimes build on the building blocks left by others. We will do that in time, and I hope that we will pay due credit to the activities of the Labour Government when they have finally passed away.

My time with the communities affected by the city challenge programme taught me a great deal about failed expectations, multiple deprivation, the need for joined-up thinking and, above all, the resentment of people all-too-often used to having things done to them rather than with and alongside them. I spoke last night to Malcolm Doherty, the former leader of Blackburn with Darwen borough council, who was in charge during the city challenge programme. He confirmed my view that city challenge changed expectations and left many positive outcomes in his borough. He pointed at one in particular: the encouragement and empowerment of the Asian community to take more responsibility in

[Alistair Burt]

their community and town. Members of that community now fulfil a significant number of local authority roles.

I am sure that mistakes were made in the city challenge programme and in other aspects of our regeneration programme, but in my experience, they were honest mistakes made by groups of people at local and national government level—politicians and officers, local community groups and independent bodies—striving to do their best to deal with the long-standing and seemingly intractable problems of problem estates.

Contemporary problems have been well illustrated by colleagues today. The hon. Member for Hartlepool speaks quietly but with great passion. He is obviously deeply rooted in his home community. He referred to the problems of crime, multiple deprivation, ill health and the lack of opportunity that still affect some of the estates in his constituency and with which we are all familiar, but he also referred to the opportunities that have come along in recent years, such as the renaissance of the Burbank estate and the people who play a part in it. Indeed, he emphasised the part played by the residents themselves in ensuring that people have different opportunities in future.

The hon. Member for Nottingham, North spoke with his usual range of knowledge about his own patch and described the problems that must still be resolved, such as the lack of a community infrastructure. He put his finger on issues that I might touch on in due course, such as too many funding streams and the problem of a multitude of bodies dealing with the same issues.

The hon. Gentleman proposed that local MPs should play a more prominent role in regeneration initiatives in their areas. That is an interesting idea. I can certainly imagine the Government being interested in giving one or two of their colleagues prominent roles that will engage them fully. The hon. Member for Birmingham, Selly Oak (Lynne Jones) might be heavily engaged in problems in her area, and the hon. Member for Islington, North (Jeremy Corbyn) might be very busy away from Westminster. The hon. Member for Nottingham, North, whose mischief is not unknown in this place, might have hit on yet another good example of patronage for his colleagues.

Hon. Members emphasised both the good and bad issues that still affect problem estates and the problems with which we must deal, and I am quite sure that we would have heard similar stories from other colleagues around the country if we had not had the debate on Africa in the main Chamber this afternoon, which has genuinely and properly engaged the attention of a larger number of colleagues than might normally have been expected.

Problem estates do not simply crop up in the obvious target areas. There are pockets of deprivation in so many different places. When I was MP for Bury, North, Bury was a relatively affluent part of Greater Manchester, and the deprivation indices revealed Bury to be a perfectly prosperous area. It was, but there were pockets of deprivation. One of my concerns was how to prevent estates that were on the cusp, where the problems were not yet too great but the signs were beginning to become apparent, from sliding into deprivation. On such estates, spending a little money and doing a bit of work would prevent the problems from becoming greater later. It is clear from what the Minister said that this issue is still exciting interest, and that better ways of targeting these problems are being found.

It is too early in this Parliament for my party, and too soon for me in my reconnection with the issues that we have been discussing today, to have the impudence to stand before the Minister and colleagues and announce a series of initiatives and ideas that will end these problems once and for all, so I shall not do that. If you will allow me a few minutes, Mr. Marshall, I shall instead set out a series of principles that are not exclusive or fixed in stone, but which I expect to guide the thinking of Conservative Front Benchers on these matters during this Parliament.

First, we will look for evidence of long-term commitment—and I really mean long-term—to the most difficult of areas. I commended the realism of the Government when the Chancellor began to talk of the eradication of child poverty in 20 years or so. Indeed, the Minister referred to the Prime Minister's first speech on an estate after he became Prime Minister, in which he talked about a 10 or 20-year programme to deal with problem estates and related matters. That sort of time scale is to be commended, because several of the problems that we face cannot be dealt with in conventional four or five-year chunks that might affect a Parliament. There is a balance to be struck. If the time scale is too long, it may look hopeless for those who are already involved with the problems. On the other hand, if they are unrealistically short, we all know that we are kidding ourselves and, worse than that, we are kidding the people whom we wish to serve.

The problem of our problem estates, however we define them, is that they are so stubbornly located in the same areas, generation after generation. Commitment to make a real difference may well go beyond 20 years to 30, 40 or even 50 years. Successes in that area of work point to evidence of extraordinary long-term commitment from exceptional individuals, such as Angus Kennedy in Castle Vale in Birmingham, whom I visited a couple of weeks ago, Dick Atkinson in Balsall Heath, and Bob Holman in Easterhouse, whom I first visited in 1992 when I held the poverty and low income brief at the Department for Social Security. They have showed long-term commitment from partners and agencies, which is necessary to build both capacity in an area that has been lacking it and infrastructure, and to ensure confidence. Of course, there will be individual initiatives that might have shorter time scales, but for the endemic, rooted problems, long-term commitment will be there. We shall be thinking of the sort of solutions and structures that will give practical effect to such long-term commitment.

Secondly, we shall be looking at ways in which the Government will tackle and overcome the problem of silos, and will be looking to do it ourselves. It is easier in opposition than in government. Whether or not the title of communities and local government is attached to the Office of the Deputy Prime Minister is of little interest to those whose multiple problems we are discussing and trying to deal with. Dealing with communities and regeneration, and turning around problem estates must involve the bringing together of education, work

opportunities, housing, health, transport, environment and the police—so many of the matters ably covered by colleagues today.

How will the application of sustainable communities and neighbourhood renewal overcome traditional turf disputes and organisational logjams that inevitably occur? A recent article in *Estates Gazette* described that quite firmly. It was written by a developer in Liverpool, who alleged a problem within the city council in terms of its relationships with developers, and highlighted an unfavourable comparison with Manchester, which is, of course, the worst sin of all in Liverpool. It referred to Manchester's greater ability to bring together partners. I do not know enough of the background to say whether the allegations made are correct, but the frustration felt by the developer, and the sense that Liverpool could be doing better in terms of partnership, was clear. The ability of those working on the regeneration of our estates and communities and cities to overcome such institutionalised problems will be a key to future success.

Thirdly, we shall also be thinking about how simple we can make funding. How can bidding processes be streamlined? Is bidding always the answer? We all know of those who have spent huge amounts of time and financial resources to make a bid for a relatively small amount of money. It is enormously frustrating and not cost-effective. How difficult do we make the accountability process, such as the problem of the plethora of performance indicators, and measurements of success? Crucial and important though it may be, have we overdone that element? Are standard criteria always applicable? Both the hon. Members for Cambridge and for Nottingham, North talked about the need for flexibility. Some measurement may be applicable in one estate in one part of the country, but not in another. The same standard criteria might not be necessary to be employed, however important that might seem in a room in Whitehall when they are being devised. We shall look at what better examples there can be of direct but accountable funding, and we shall be looking hard at areas where there are complaints that bureaucracy is overcoming the good intentions of a scheme.

We are also interested in devolution to the lowest possible tier. We all appreciate that occasional difficult choices and compromises are necessary. We are aware that local decision making can be influenced by unfortunate factors connected with personality or prejudice. The Minister referred to the local loudmouth who, in a single outburst, can trash the work of the residents association, upset the feeling on an estate, and leave bitterness and resentment—sometimes for years—as a result. That is true, but it is a risk. One of the great lessons that comes from the studies and our personal experiences concerns those areas that have seen the greatest turnarounds. They have been the ones that have risked devolving down: they have built on the capacity of ordinary people so that they have become able to perform extraordinary tasks of which they did not believe themselves capable a short time before.

Trust breeds responsibility and involvement breeds trust. I would like to see the work continued in closer co-operation with existing democratic institutions. As a former local councillor in Haringey, known to the hon. Member for Edmonton (Mr. Love), who is sadly not in his place but whose interventions I enjoyed earlier, I value the commitment of local councillors of all colours. They must not be written out of the script. However, often the devolution of power that the Government tell us about involves the giving up of local authority, not necessarily of Whitehall power. In the best of examples, a new relationship with local councils has been forged on the back of a previous indifferent one, and old mistrusts have been laid to rest. Sustainable and long-term outcomes are unlikely unless that happens.

The building of trust and of capacity in local areas also tackles something else, which is difficult but important to face. Many of those who are actively involved in turning around estates and who do not come from a right-of-centre political standpoint, speak of the problems of long-term dependency and the impact of the combination of welfare and benefits systems on individual responsibility. They are now worried about how that is challenged.

I should like to quote from a chapter in Dr. Dick Atkinson's book, "Civil Renewal: Mending the Hole in the Social Ozone Layer." If the Minister or other hon. Members have not seen it, I know that Dick Atkinson has a number of copies. Dick played a part in the transformation of Balsall Heath. He does not come from a Conservative background, but he says, in the course of a wide-ranging discourse:

> "However, a major consequence of 200 years of social 'progress' since the Enlightenment has been that in all vital aspects of ordinary people's lives the balance has slowly shifted from traditional and morally driven 'bottom-up' self-reliant, personal, private and neighbourly provision, to 'top-down', dependent, collective/public provision. What people had once created, sustained and paid for themselves, albeit often glaringly inadequately, gradually came to be provided for them by well meaning politicians of all parties. This provision was no longer delivered as personal, family or neighbourly gifts or charity, such that the donor expected something in return and the recipient felt obligated to give it, but impersonally, through enforced taxation and, thus, via the remote, ever-growing bureaucracies of state.
>
> The changing balance from minor state and major private provision of housing, health, education and safety to major state and minor private provisions was not scattered randomly through society. Like other social deprivations, it clustered dramatically in those areas which suffer other ills—the inner and outer areas of our towns and cities and impoverished rural areas. It has become the glue which binds the joined up problems together in these areas and all but creates the self-fulfilling prophecy that people are fashioned by the social situation they are in and cannot influence or change it. "If you don't like it, move, there is nothing we can do"."

The book is endorsed on the back cover by the following quote:

> "Anyone who is serious about tackling deprivation should read Dick Atkinson's book. Not only is it grounded in the author's own experience in one of the most remarkable neighbourhood transformations in this country, it sets out well argued proposals on how civil renewal can be attained across our most disadvantaged communities."

That was written by the former Home Secretary, now the Secretary of State for Work and Pensions, the right hon. Member for Sheffield, Brightside (Mr. Blunkett). I raise the issue of dependency, but not from an ideological point of view. As the hon. Gentleman will know I am not a card-carrying member of the hard-faced right-wing tendency. But I am interested that people who have demonstrated their commitment to the poor by living for years among them have concluded

[Alistair Burt]

that there is something in the system that makes people more dependent than it should. That is worth exploring and tackling.

Another equally tricky principle needs to be discussed. It was touched on by the hon. Member for Nottingham, North at the end of his remarks. We cannot leave out the difficult subject of the transformation of individuals. Communities cannot be transformed merely through the physical environment. We have all learnt that much. It is a necessary, but not a sufficient component of change. Transformed communities will inevitably reflect transformed individuals. In some cases such work cannot and should not be accomplished by the state. The issues will be too personal. The independent, voluntary and faith sectors have much to offer in this regard, such as tackling drug and alcohol dependency, mentoring the young fatherless, challenging spiritual vacuums and supporting and rebuilding failed personal relationships.

Last week the Centre for Social Justice in Kennington, in the company of a number of MPs, including the Minister for Pensions Reform, the hon. Member for East Ham (Mr. Timms) and the right hon. Member for Birkenhead (Mr. Field), hosted as inspiring an evening as I have been to for many years. Six exceptional projects were honoured for their work and commitment in catering for those in exceptional need. At the Eden project in Salford young mentors have committed five years of their lives to live and work in the inner-city community. The Bristol community family trust is building up marriage and relationships. A small, but tough, abstinence from drugs project has been built up on the back of one woman's hard and painful experiences. In each case small amounts of money were releasing exceptional people, although they did not consider themselves to be exceptional.

We can no longer shy away from the difficult task as a society of helping individuals and communities to rediscover the values and boundaries challenged in the past, where the experience of absence has resulted in personal or social harm. The experience of children who have lived through the pain and hurt of parental separation and the correlation of those children's multiple difficulties, which range from health to education, are prompting a sensitive but urgent exploration of how fragile relationships between adults can be fostered and protected to avoid such separation.

The hon. Member for Nottingham, North said that some youngsters need a social toolkit to guide themselves through life. An absence of something in their background—parenting skills for example—is ill equipping them for the challenges of modern society. It is worse than it was. We all acknowledge that society is moving faster than ever. Technological knowledge and educational advantages attach ever more closely to those who have them and those without are left behind.

The gap between advantage and disadvantage is growing. It is no fault of the Government. The Prime Minister and the Chancellor would not have stood before the House in 1997 and said that in eight years' time they expected to see the gap between rich and poor in our society growing. But in some ways it is. It is not their fault; it is a consequence of modern society. Capturing what can minimise that gap is crucial. Some of the social skills and values that youngsters have lost are identifiably seen to have been lost and it frightens those around them. It is crucial to get to those people.

Mr. Allen: The hon. Gentleman has been particularly balanced in his approach. He is making a sensible and rational contribution from the Conservative Front Bench. However, he must answer one question about developing social behaviour. If we do this seriously—one reason to do so is to save hundreds of thousands of pounds in court costs, police costs, drug rehabilitation and so on—we must track the youngsters and their families and ensure that the intervention can take place at the right time. In the spirit in which the hon. Gentleman made his remarks and in trying to find a way forward, will he accept that talk of Big Brother or the state intervening will damage the possibility of getting all-party consensus on how to build more socially responsible youngsters who do not trouble the authorities in the way that I outlined earlier?

Alistair Burt: I entirely accept the hon. Gentleman's point. I have not so far come across a sense that the early identification of youngsters from particularly difficult backgrounds and watch over them because they are statistically the most likely to find themselves in trouble is an over-application of the Big Brother state. I have not heard that argument expressed terribly strongly among my colleagues and if I did I would resist it. There are concerns about what the state knows about people, but equally we all understand that information is there to be used on occasions for perfectly good purposes. It is the difficult judgment of Government and Parliament to decide when they must have that information, how to use it and to make a decision about what is fair to gather and what is unfair.

I argue for the freedom of individuals to take more responsibility on their own shoulders in certain respects, but I also understand the need for greater intervention in the lives of some in order to make up for gaps that might be there. I hope it is not inconsistent to do so; needs sometimes require it.

I shall cover a couple of other matters and then bring my remarks to a conclusion, as the Chamber has been generous and I appreciate that. We recognise the importance of a safe and secure environment for people to live in. Antisocial behaviour is a scourge in those areas where it exists. A recent Joseph Rowntree report made it clear that there is a concentration of such behaviour in deprived urban areas, which we know and understand, but it is interesting that it is reflected statistically. Some 34 per cent. of British Crime Survey respondents in those areas reported that levels of antisocial behaviour were high in their locality, and that figure is not replicated elsewhere.

The report also stated that the majority of respondents to the Rowntree survey favoured preventative action, not simply tougher enforcement. There was an understanding of the causes that produce antisocial behaviour as well as a determination to ensure that where it occurred it was dealt with effectively. The rebuilding of community pride and the encouragement of responsibility, to which I referred earlier, will play its own part in overcoming antisocial behaviour.

We accept the ASBO society as we accept gated communities as the answer to crime at our peril. They have their place, but an over-heavy reliance on them and

an increase in their use does not tell us good things about the way we live and the way we want to live in future. That those on our poorest estates have the same rights as everyone else to quiet enjoyment of their lives, and that their children have the right to safe streets, safe places to gather and freedom from bullying is fundamental. No one is to be abandoned to a lesser life by their post code.

I shall look carefully and with interest at the ability of the system to transfer knowledge of good practice from one area to another. I went to see people at the European Commission in Brussels the other day, which was a surprise for them. They got a phone call out of the blue from a Conservative Front Bencher saying, "Can I come and see you to talk about what you are doing in terms of social regeneration? Don't tell my colleagues."

I got the same sense from the European Commission that I have had from others, that it should be a relatively easy matter for conferences, symposiums and people getting together to transfer knowledge, but it does not appear to work as well as people would like. There are good examples in this country and throughout Europe of people tackling common problems, and there are lessons to learn.

There was an interesting piece on the internet from Malmö in Sweden, about how a problem a few years ago on one of the estates there was tackled. It would not have been out of place here. I hope that we can encourage the transfer of knowledge and information, which would be helpful.

We will keep a close eye on the new communities that are being built. The Deputy Prime Minister is building new communities in my constituency and others in the south-east, and we will want to ensure that the problems of building new communities in the past are not reflected in those. We do not want to build dormitory towns for people who will get in their cars or on the train to go into London, coming back at night to soulless places in which they feel no connection with society around them. I am interested in how that will be prevented, and we will look carefully at that.

The problems of our poorest estates that we have discussed this afternoon are sadly not new, but there is growing evidence of successful ideas to challenge stereotypes, and the commitment of so many people who work and live in such areas is genuinely humbling to the politicians who talk about them. We can and should be confident of overcoming the challenges posed by multiple deprivation and of creating communities that people want to stay in, not escape from, and of which they will be increasingly proud. We should be ready to stand shoulder to shoulder with all those with such aspirations.

4.46 pm

Mr. Woolas: I thank hon. Members for taking part in the debate. It was a debate that I volunteered for, as it were, partly to give a platform to air overall views of strategy, but also to try to build some allies in the campaign. I am particularly grateful for the point made by the hon. Member for North-East Bedfordshire (Alistair Burt) about the coincidence with the debate in the House on helping Africa to fight poverty. The former Whips in this Chamber may have views about how we arrange those things.

I want to sum up briefly and try to deal with the points that have been made. In the intensive round of briefing that I have had in the past few weeks, two statistics have stood out. The first is that, 50 years ago this month, the then Minister for Town and Countryside—they did not call it sustainable communities, local government or communities in those days—made an announcement. I should at this point, incidentally, congratulate the hon. Member for Cambridge (David Howarth) and the hon. Member for North-East Bedfordshire on their posts. The then Minister was a certain Mr. Harold Macmillan, who announced to the House the idea of building 125,000 new homes across south-east England to cope with population demand and the needs of key workers in the public services. Those on the Labour Front Bench opposed that policy vigorously and accused the Conservative Government of wanting to "concrete over" the south-east of England. Uncannily, Harold Macmillan's arguments were sound and succinct, and they are now being repeated by my right hon. Friend the Deputy Prime Minister.

My point is that the problems of how we deal with estates and change things are not new. I mention that because one of the last points made by the hon. Member for North-East Bedfordshire was about ensuring that we do not recreate old problems. Most of us would acknowledge that the problem estates that we talk about now were built under Governments of both parties, but mainly under Labour Governments and in Labour areas, with the best of intentions. Lord Hattersley, as a former Member for Birmingham, Sparkbrook, acknowledged that fact in the development of Labour's policy in opposition. The hon. Gentleman has made a strong point.

The second statistic that struck me forcefully was one on the social mobility of the bottom 10 per cent. of the population measured by income, which the social exclusion unit in the Office of the Deputy Prime Minister is examining. During the course of their lives, those people have a better chance of moving up a social class from the bottom decile if they were born in 1958 than if they were born in 1970. There are all sorts of reasons for that, some of which have been mentioned, but even today, after eight years of what I would argue have been targeted redistributive policies—I will come to what the hon. Member for North-East Bedfordshire said about Conservative policy—it is still true that people's chances of getting out of that bottom 10 per cent. are pretty slim, at least if they stay within the law. A Labour Government cannot afford to allow that circumstance to continue. That is why I say that turning around problem estates is not just a matter for local authorities. That is a point of principle, which the hon. Member for Cambridge addressed and with which I am sure he will agree. The issue brings us to the debate about centralisation and devolution. The Government have a national strategy, and we are clear about that.

My hon. Friend the Member for Hartlepool (Mr. Wright) drew our attention to the work of the Royal Institution of Chartered Surveyors and its 12 measurements of decline. He made the important point that, although the debate and the policy concentrate on existing deprived areas, the Government and local government are responsible for looking at areas that might become deprived, where the market might have failed or there are particular social circumstances.

[Mr. Woolas]

Although the tide of economic and social prosperity in this country is rising, some boats have holes in them, and he drew that to our attention.

I became slightly worried when my hon. Friend introduced BURT. I thought that it was an alliance with which I was not familiar, but he was referring to the good example of Burbank United Residents Together. He rightly paid tribute to his constituents who are involved in regeneration and turning around problem estates. Every speaker has acknowledged his point that the issue is about people. Without the people getting involved, we will not succeed.

I am grateful to my hon. Friend the Member for Nottingham, North (Mr. Allen) for his contribution. I think that he saw the debate on the Annunciator and came in to raise some of the points that he has raised in other debates, as well as some new ones. I give him a commitment that I take his points very seriously indeed, as I hope he knows. He made a powerful plea for neighbourhood empowerment and for putting weapons into the hands of people on the ground. That was the theme of his speech, along with the visibility of real people. This debate is about turning around problem estates, but the other side of the coin of our strategy is the programme of neighbourhood empowerment. Our intention is to provide neighbourhoods with access to real, executive power, in conjunction with local authorities and councillors.

One of the most fascinating developments in that policy area is about defining what triggers we can put in the hands of local people. For example, if fly-tipping clearance rates were not strong enough, what could the local community do about it? Could it have access to a pot of £1,000 or instruct the local authority to change the providers? That debate about empowerment and triggers is very important indeed.

My hon. Friend the Member for Nottingham, North also made an important point about the involvement of local Members of Parliament. My experience and that of the Government is that local Members have a crucial role to play, as civic leaders and bangers of heads together. A number of local strategic partnerships have invited their local MPs to become the chair where appropriate, because they are in the unique position of being able to provide leadership and balance and to act as a champion of local residents in a way that is not always possible for the service providers. There is a growing agenda on that point. Whereas the hon. Member for North-East Bedfordshire teased me about the role of some of my colleagues, I think he is on to a good idea, although we shall have to check the numbers.

My hon. Friend the Member for Nottingham, North talked about turnover of local officials and mainstreaming of funding. He again paid tribute to the real people. He referred to the Bulwell toy library, which is an incredible story of long-term commitment that, in a micro way, backs up the point made by the hon. Member for North-East Bedfordshire.

I strongly endorse my hon. Friend's point about real people, visibility and continuity of public service, whether it comes from police community support officers, estate patch managers such as those in Nottingham, estate caretakers or whatever. All the evidence shows that that works and builds confidence and stability on estates, and also that the satisfaction rates of a local authority covering such an area rocket, because people appreciate the attention that they are given.

My hon. Friend made an important point about concentrating on social as well as antisocial behaviour. The development of that agenda is extremely important. We will all look forward with great anticipation to the publication of the forthcoming youth services Green Paper. I appreciate that his point goes beyond youth services to the behaviour of human beings in such areas. I thank him for taking part in the debate.

The hon. Member for Cambridge talked from the Liberal Democrat Front Bench about his experience of tension between central and local issues and the dichotomies of devolution. He said that targeting can lose consent, and I recognise the point that he makes. Our interventions with local area agreements are an attempt to square those circles, and I look forward to seeing that develop.

The hon. Gentleman talked about restorative justice. I thought that we were about to hear a Liberal Democrat making a plea for vigilantism and talking about sticks rather than carrots, which are what his party normally talks about, if he will pardon a bit of teasing. He made an important point about restorative justice, which was backed up by the example given about the cleaning up of graffiti by youngsters on the youth offending teams.

For example, damage to bus shelters terribly blights areas. If bus shelters are repeatedly smashed, companies will replace them with metal ones, which further deteriorate the area, starting a cycle. Home Office experiments have proven that what works is that, if offenders are punished by being made to clear up the mess and make it good, that reduces the level of crime not only among those who smashed the bus shelters, but among those who have committed other crimes and have been made to clear up. That agenda is strong, although I will tease the hon. Gentleman by saying that when we put forward the idea of restorative justice, his then Front-Bench spokesperson spoke and voted against it. However, that is life and we move on.

The hon. Member for North-East Bedfordshire, whom I welcome to his position, made a thoughtful, interesting and progressive speech. Let me reassure him on some of the points that he made about some of the regeneration programmes undertaken by previous Governments. We must acknowledge that not everything was bad under the previous Conservative Government. United did win some cups. I can go so far as to say that his bit of the Conservative Government did a lot of good work. In the briefing for this debate, we did some research on that work. He will be pleased to know that Castle Vale is held up as a good example of a programme that worked. There were also the housing action trusts established in 1988 and the estate action programme in 1985, and the city challenge in which he was personally involved in 1991 is described in official ODPM policy as a successful scheme.

John Hemming (Birmingham, Yardley) (LD): Castle Vale HAT has been successful, but it cost £67,500 per property. The Optima scheme in central Birmingham

was proposed and went through at £17,000 per property, and the stock transfer was minus £4,000 per property. Finances are important, and they cannot be ignored.

Mr. Woolas: I thank the hon. Gentleman for making that point, and I acknowledge the truth of what he says, in that those are cost benefits.

I was trying to point out that some of the regeneration programmes undertaken by previous Governments had a degree of success. The estates renewal challenge, which was set up in 1995, was another good example. I genuinely do not want to score political points by describing the breakdown of the economy under the previous Government or give the macro-reasons or micro-reasons for it. We want to move forward.

The hon. Member for North-East Bedfordshire helpfully outlined the principles that he intends should govern his policy, and how he intends to react in the coming years, and I thank him for that. I am sure that there is some agreement on the principles. For instance, his points about silos, simplicity of funding and the clarity of funding were all helpful pointers.

The hon. Gentleman spoke interestingly about the challenge of welfare dependency. A matter that I did not raise—I did not want to open another debate—was the relationship between welfare benefits and turning around problem estates. Council tax benefit, housing benefit, the earnings disregard and so on are all important issues. The supporting people programme is another important initiative.

The traditional view of welfare dependency in the hon. Gentleman's party may be characterised as, "Make them get a job by cutting benefits." In the past, my party might have said, "Give them enough benefit so that they do not have to work"; at least, that would be how he would describe it. As he knows, what we want most of all is that work should pay. We want a transition from welfare to work that does not rest on a punitive attitude of cutting and driving down benefits to force people into work; we want it to help people into work. However, we accept the rights and responsibilities argument that he implicitly accepted. The point that he made about that was interesting, and we will see in the coming months and years how it develops.

To be more pragmatic, the examination of the benefit system and its relationship to turning around problem estates is something that the Government will focus on more and more.

Alistair Burt: I am grateful to the Minister for giving way. He may want to think about the possibility of experimenting with benefits. The example from Malmö in Sweden to which I referred included making an adjustment to the benefits system whereby an element of people's rent was taken and refunded to the community to be used by residents to care for their properties, instead of being included in their rent and therefore covered by welfare provisions. The welfare provisions had to be changed to enable that process to happen.

I remember from my time at the Department for Social Security, as it then was, that it was difficult to change welfare provisions, as our benefits are national. However, I think we had an opportunity to introduce one provision making that possible. In terms of exploring seriously the relationship between welfare and dependency, not from an ideological point of view in order to prove a particular case, but from a practical point of view, especially if it is being raised by practitioners on the ground, I ask the Minister to bear those issues in mind. Perhaps he will discuss with his colleagues at some future stage whether making some changes to benefit provisions and allowing some experimentation might be part of our armoury in tackling that sort of problem.

Mr. Woolas: I am grateful for that contribution. We have provided pilot schemes or experiments on initiatives such as welfare to work and Jobcentre Plus. The question of flexibility in the benefit system on targeted geographical points with a specific purpose in mind is important and interesting.

I shall finish with this example: we would all agree that, if we want to provide a community worker on an estate, it will be better if that person lives on or near the estate, rather than outside. That is the case for many obvious reasons. Often, the person may not be able to take paid work if the role is part-time and would cause them to lose benefits. Such cases cause all sorts of tabloid headlines that can be a nightmare for politicians, which is why it is important to build consensus. I simply mention that as an issue that we are considering.

On the benefits agenda, someone's access to benefits is likely to be much worse if they live on a deprived estate than if they do not. The average waiting time for housing benefit claims to be dealt with is 136 days in Liverpool, 110 days in Leicester and 99 days in Stoke-on-Trent. However, the average across England is 43 days. In other words, if someone lives in a deprived area, their access to benefits is likely to be more difficult than if they do not, for obvious reasons. Government policy must address that.

I thank hon. Members for taking part in the debate. It has been useful, even if it is for nothing other than putting on the record Government and Opposition attitudes to this issue and soliciting positive ideas from the hon. Members who took part.

Question put and agreed to.

Adjourned accordingly at six minutes past Five o'clock.